Lower Output Affects Gold Shares Page 9

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Bear Propaganda To Make Jobs for Wheat "Experts"

Scoreboard of the N.R.A.

Its Successes and Failures to Date

Federal Advances To Provinces

Should Control Be Exercised?

Injudicious Gloom From Wheat Experts

BEFORE the London wheat committee, composed of representatives of different exporting and importing countries, and set up under the London wheat agreement, meets again, Canada should do something to impose a rule of silence on it. It was provided with a specific task, to watch the working of the quota arrangements agreed upon by different countries. It was proclaimed as being an entirely temporary organization, but its members appear to think they have some powers not derived either from the terms of the agreement or the concurrence of the governments concerned. It is emphatically not their business to go proclaiming the seriousness of the wheat situation or to act as if their object in life was to become a bear influence in the wheat market. The publicity which accompanied its meeting in London last week (and some of it at least appears to have been authorized directly by the committee) appears to have had an immediately depressing influence upon the wheat market. There are quite enough of such influences at present.

* * *

IT WAS perhaps inevitable that such a committee should be established as a means of communication through which governments could report to each other the way in which they are carrying out their commitments. Perhaps it was equally inevitable that once established it should — like most international committees — seek to enlarge its functions, but that is a process to which Canada, as the country with the greatest concern in the international wheat market, should be able to put a prompt stop.

Of course, if the committee can convince the world that things are bad enough in wheat, some of the members and employees experts can get practically life-time jobs for themselves. But the Canadian wheat grower is the immediate sufferer from their exaggerated outbursts of gloom.

The committee has about it an aroma typical of League of Nations expert committees. The motto of such is to "make sure of your job first and then get to work."

It should be made plain that Canada does not propose to allow any further meetings of the committee to be attended by a Canadian representative, unless the committee can confine itself strictly within the functions for which it was created.

* * *

Where N. R. A. Stands Today

MOST of the bad temper has gone out of the arguments across the line about the N. R. A. It is going through the test of actual experience with some interesting results. It seems to be failing in some of its objectives, succeeding in others. Some of its bitterest critics, the steel industry for one, have become its staunchest supporters. Out of N. R. A. will come much permanent good and some temporary harm. It is too early to define these final results.

N. R. A. was a nation-wide attempt to do two things:

1. To meet a business crisis by putting men back at work and creating larger purchasing power through increased wage distribution.

2. To integrate individual industries as social and economic groups to provide for centralized control of production and investment.

3. To provide a larger measure of social and economic justice under private enterprise, through eliminating abuses that were unfair to labor or to owners.

* * *

IN SUCH a programme, embracing both short term plans to meet emergency and long term plans to give a New Deal to industry there was bound to be confusion and misunderstanding. There were bound to be early indications of failure in phases where final success was certain; and early appearances of success where ultimate failure was unavoidable. But at the moment the scoreboard of N. R. A. reads about as follows:

The available work has been

(Continued on page 2, col. 4)

PREMIERS ASK DOMINION HELP REFUND DEBTS

B. C., Alberta, Saskatchewan, Manitoba Wire to Ottawa

METHOD CONUNDRUM

Imply Budgets Can't be Balanced; But Want Aid; Inference is Default Threatened

Refunding of the debts of the four western provinces may ultimately develop as a result of the conference at Victoria of the premiers of Manitoba, Saskatchewan, Alberta and British Columbia. This is believed to be one of the chief aims of the western premiers. Realist observers appear to feel that refunding of the debts of the four provinces will sooner or later be necessary, if present price levels for primary products persist.

Just how refunding could be carried out is a conundrum. At least the four western premiers have started the ball rolling. Among other things, they recommended:

"That the Dominion Government, in co-operation with the provincial governments, give careful consideration to the possibility of some scheme for refunding the whole or part of the respective provincial debts at lower rates of interest.

"That to facilitate bringing about lower interest rates on provincial and municipal borrowings and to encourage loans to every branch of industry at lower rates of interest, that the rates of interest on deposits should be again lowered."

Dominion's Position

The point of this is that the Dominion has lent over $40,000,000 to these provinces already. Last year Mr. Bennett let it be understood that advances would not be continued unless the provinces balanced their budgets. And the provinces now feel that they don't wish to increase taxation or cut expenses much further. So they have hit on refunding, and have united to put their case to Ottawa.

The conference of the four western premiers, and the agitation for refunding, came initially from British Columbia, where the Pattullo Liberal Government was re-

(Continued on page 8, col. 6)

MANY FACTORS AID OUTLOOK NEWFOUNDLAND

Rise in Sterling and Improved Foreign Demand Aid Codfishery

BUYING POWER GAINS

From Our Own Correspondent

ST. JOHN'S NFLD.—The substantial rise in sterling has contributed more than any other single factor to the spirit of optimism now being rekindled in Newfoundland business circles.

Because payments for the bulk of the island's codfish exports are made by bills of exchange drawn on London, the adverse exchange in 1932 naturally depressed still further the already low price of dried cod. Newfoundland's chief export and the people's main source of livelihood. But at the present exchange rate the total catch will roll up an extra $2,000,000. Total prices have advanced slightly since September while prices in foreign markets remain steady.

Results of Cod Fishery

During the past summer many parts of the island and also the Grand Banks sailing fleet secured bumper catches. Unfortunately, however, several northern districts have drawn almost a complete blank. Fishing operations here were first hindered by drifting pack ice in June and July and later by lack of suitable bait for fall fishing.

Complete returns for the 1933 cod catch are not yet available but the voyage, less than in 1932, will be approximately 1,000,000 quintals. And because the catch is short and demand brisk it is estimated that by next spring in both home and foreign markets, the whole of this season's catch will have passed into consumption.

Purchasing Power Improves

With the current average price of cod at about $4, nearly $2 more per quintal than the previous year, the majority of fishermen feel that they are getting a new deal. And as a first result are loosening their purse strings. Business in general throughout Newfoundland is beginning to revive as this increase in purchasing power strengthens.

Another factor influencing the higher local market price is that the condition of the catch is much better than last year. Ideal drying weather during August and September has resulted in a much improved cure. Propaganda for better prepared fish sponsored by the joint efforts of government and exporter has also helped to bring the 1933 catch up to a high average quality. Exporters have also co-operated by agreeing to a pre-

(Continued on page 2, col. 6)

Vital Changes Pend In Marketing Policy For Canadian Wheat

Government May Soon Be Forced to Make Decision

BOARD POSSIBLE

Provinces, Pools and Grain Trade All Making Representations at Ottawa

From Our Own Correspondent

OTTAWA—The policy of the Bennett Government with respect to the Wheat Agreement is now under consideration and it has become apparent that vital changes in the wheat marketing machinery may be involved.

The cabinet has been massing statistics and general information on this subject for the past three months. The considered views of the three prairie governments have been forwarded, in secrecy, to Ottawa. The representatives of the western wheat pools have been frequently at the capital in the past month, placing their views before the ministers. And this week, an important delegation from the Grain Exchange held conferences with Premier R. B. Bennett.

National Policy Imminent

Out of all this it is confidently predicted that a national wheat policy will emerge and that the government will make a succinct statement to the public before the close of the year.

Right now, the question as it appears here resolves itself into three divisions:

(1) Shall the wheat trade remain substantially as it is and the task of reducing wheat output in 1934 be left to Nature?

(2) Shall the great rsponsibilities now carried by John I. McFarland be placed upon the shoulders of a commission, of which Mr. McFarland would be the chairman?

(3) Shall the government create a 100 per cent pool and place a National Marketing Board in charge of it?

These, it is believed, are the alternative courses open to the government.

Provinces Want Board

As for the representations made by the various governments and private interests, their character is known in a general way. The three prairie provinces, it is believed, favor a National Wheat Board with Ottawa assuming complete responsibility for the welfare of western farmers. The wheat pools also have urged this course and have suggested, further, that the pool machinery in western Canada is ideally suitable for this purpose. If their recommendations are accepted the government would use the present pools as the nucleus of the new national organization.

Pools go Further

The pools go further and point out that once a National Wheat Board was set up it would be a simple matter to decree prices for the domestic market. They suggest that a price much higher than the one presently prevailing on the Winnipeg market should be fixed for domestic flour consumption. The exportable surplus could then be sold for whatever it would bring and the grand total receipts —from both sources—be divided among the farmers on a pro rata basis.

Grain Exchange Position

The Winnipeg Grain Exchange, unquestionably, opposed the proposal to create a Wheat Board. The exchange is in favor of leaving the trade as it is but would not dispute the wisdom of creating a commission to take over the responsibilities now resting upon Mr. McFarland.

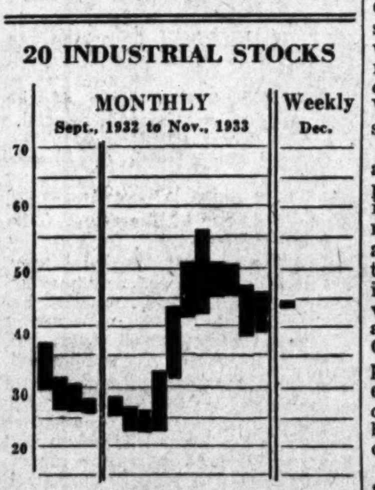
It is well known here, however, that the Grain Exchange has not improved its standing with the government in the past few months.

The apparent lack of enthusiasm

(Continued on page 2, col. 6)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Dec. 5	44.9	43.1
Week of Nov. 28	45.6	43.2
Month of Dec., 1932	28.3	25.5
10 Public Utilities		
Week of Dec. 5	48	45
Week of Nov. 28	49	47
Month of Dec., 1932	46	43
8 Bank Stocks		
Week of Dec. 5	164	160
Week of Nov 28	164	159
Month of Dec., 1932	166	159

Eaton Plants To Manufacture For Export Trade

Formation of Eaton Canadian Products Limited to carry on export trade is announced in a news article in "Canadian Trade Abroad."

This new company has available to them for distribution in overseas markets, the entire range of manufactured goods made in the factories of one of the world's greatest merchandising organizations. This development is stated to be an indication of faith in the ability of Canadian goods to compete successfully in Empire and world markets, and to be an evidence of the benefits to be gained from the exchange of trade preferences.

The group of factories numbering 24, under the same management, occupying 875,000 square feet of floor space and employing some 5,000 workers, will supply many of the products which will be distributed abroad by the Eaton Canadian Products. The list covers almost the entire range of merchandise found in large department stores, including all types of men's and women's wearing apparel, drugs, toiletries, stoves, sundries and many other lines.

* * *

Officials of The T. Eaton Co. at Toronto are reticent about this new enterprise.

The Financial Post is told however, that the new enterprise is being operated as an independent concern; that it is not a subsidiary of T. Eaton Co., nor has it any direct connection with that organization. It will however, operate as agent for the company since it has obtained selling rights to the Eaton products in Empire and foreign countries.

SAME PLAN OF VALUATION IS FOLLOWED

But Ottawa Basis Differs Widely from U. S. Policy

NEW FEATURES

Two distinct bases for valuation of insurance company securities will be used for annual statements on this continent at the end of 1933.

This week G. D. Finlayson, federal superintendent of insurance, announced that insurance and trust and loan companies registered under his jurisdiction might use the "authorized" values of last year for stocks and bonds not intrinsically depreciated.

United States Basis Different

The same day it was announced from New York that an entirely new basis of valuation for life company holdings of stocks would be allowed this year by United States Commissioners in convention there. The United States officials also decreed that life company holdings would this year be treated separately to those of fire and casualty companies. This distinction has not before been made in Canada.

Just where the provincial insurance jurisdictions in Canada will stand is not yet known. Previously the provinces have taken a somewhat mid-way position, although they have usually worked closely with the United States officials in arriving at a valuation basis.

For stocks and bonds which have intrinsically depreciated, Mr. Finlayson is allowing what are described as "ascertained" values as at Dec. 31, 1933, or "at a date not more than 60 days before the said date."

Special Correspondence

NEW YORK. — The National Convention of Insurance Commissioners in open session here this week made two important changes, recommended by the valuations committee, of which Hon. George S. Van Schaick, New York State superintendent, is chairman.

The changes affect security valuations to be used by insurance companies in the United States in making up their 1933 annual statements. The new basis will also be adopted in principle if not in detail by the provincial insurance jurisdiction in Canada. No definite word is available as yet as to what action wil be taken by the Federal Government at Ottawa, but in the past the plan followed by the federal superintendents has been in close accord with the valuation basis as prescribed by the U. S. committee.

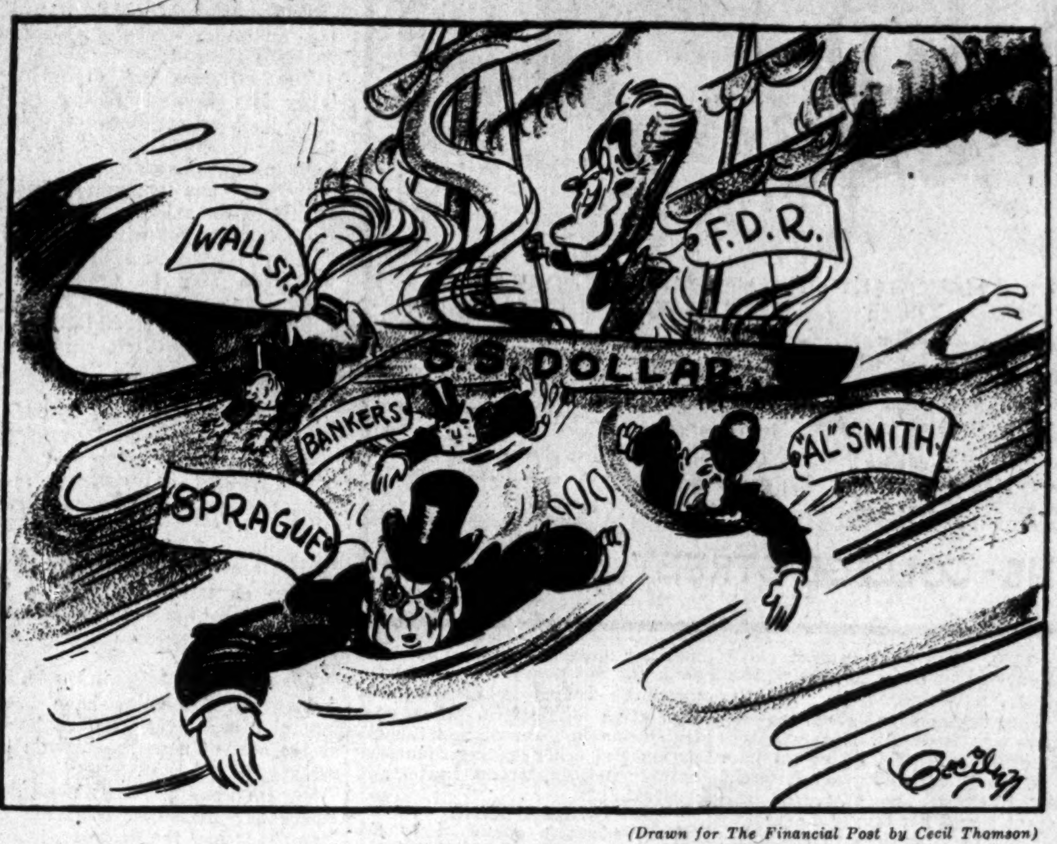
The convention ruled that insurance companies, other than life, which because of the nature of their liabilities, require a greater degree of liquidity, shall carry their securities at the mean of convention values of 1932 and current market values.

New Life Basis

Recognizing the long-term feature of life insurance companies liabilities and assets the convention adopted a new basis for stocks held

(Continued on page 2, col. 8)

The Boy Stood on the Burning Deck



(Drawn for The Financial Post by Cecil Thomson)

"...WHEN ALL BUT HE HAD FLED"

Freer Beer Legislation May Cut Spirits Sales And Double Beer Output

Hotels, Restaurants and Maybe Stores Channels for Sales

WILL SELL CHEAPER

Permit System for Beer to End — Displacing Home Brew Would Double Brewery Production

Brewery company executives confidently expect that a régeme of freer laws for the sale and consumption of beer in Ontario will let the output run up to at least as high as pre-war volume which was two or three times as great as the totals now being sold by all the breweries through legal channels. They assert that the Ontario Temperance Act and the Ontario Liquor Act have successively and progressively hampered the sale of beer to such an extent that the people of Ontario are now brewing more beer at home than is brewed in breweries and have become as well the highest per capita consumers of spirits. There is now every reason to believe that the balance will be restored in favor of malt beverages, and certain leading executives in the industry are understood to be urging various companies that only widespread amalgamation and cooperation will permit the industry as a whole to win profits from the new situation. It is urged that lower prices to consumers and lower costs can both be achieved by action in time.

In the meantime rising market valuations of stocks show that speculators are assessing favorably the possibilities of the new situation. They evidently believe that the new laws will permit the Ontario industry as free a field as Quebec permits the brewing industry there. The Financial Post has tried to find out how much justification there is for this stock market optimism as to the possible beer policy in Ontario and on the whole finds judgment of those

(Continued on page 2, col. 3)

Index Reveals Prices Higher In November

Wholesale prices were higher in November than in the previous month, according to the Dominion Bureau of Statistics index, the figure rising from 67.9 to 68.7; animals and their products was the chief group to gain. Leather footwear production showed the usual seasonal decline but the October total was 15 per cent ahead of the figure for the corresponding month of 1932.

Greater stability in the United States dollar gave some confidence to commodity markets in the latter part of the past week and early losses were recovered. Gains in wheat at Chicago were mirrored at Winnipeg where fair export demand combined with light trading gave some strength to prices. The rise in the gold value of both the United States dollar and the Canadian dollar has, of course, meant an increase in commodity values as far as export market are concerned.

Monthly		Change From Prev. Period %	From Prev. Year %
	Nov., 1933		
W'sale prices index	68.7	+ 1.2	+ 6.0
	Oct., 1933		
Flour prod., bbls.	1,650,557	+18.5	— 3.6
Auto, sales, No.	2,102	—38.9	+21.8
	$2,135,488	—38.3	+25.1
Auto. financing	3,507	—17.5	—19.8
	$1,352,458	—15.5	—14.8
Retail sales index	88.1	+ 3.3	— 4.0
F'wear prod., prs.	1,833,771	—10.0	+15.0
*Weekly			
Carloadings, No.	44,492	— 6.2	+ 2.8
Cattle sales, No.	16,001	+10.0	+ 9.3
Hog sales, No.	26,284	+ 6.0	—15.2

* Weeks ended Nov. 25, 30 and 30 respectively.

MARKETING ACT TO BE PRESSED ON GOVERNMENT

Toronto Parley Raises Vital Matter of Wide Interest

GOVERNMENT WARY

From Our Own Correspondent

OTTAWA. — While the broad question of marketing legislation covering meats and, possibly, dairy produce has not yet been seriously considered by the cabinet it is recognized here that the conference of producers at Toronto last week is the beginning of a nation-wide agitation in favor of parliamentary action next session.

Some of the ministers, notably Hon. Robert Weir, minister of agriculture, and Hon. Harry Stevens, minister of trade and commerce, have been following the marketing problem very closely and are intimately acquainted with the general principles now advocated by the producers. The cabinet as a whole, however, is not in touch with the question and the trend of governmental opinion will not become apparent until the producers carry their proposals before the ministry as a whole.

Ottawa Not Committed

That the government is still uncommitted is accepted as a direct implication of the speech made to the producers by Mr. Weir last week. At Ottawa this speech is regarded as rather a skilful bit of tight-rope walking. The best efforts of producers to persuade him to express a definite opinion signally failed.

As a result of the Toronto Conference, however, members of the government, in a general way, have been brought to a realization that the legislative policy proposed is of signal importance. Indeed, it is agreed that a Marketing Act, along the lines suggested, would be a far more drastic curtailment of private enterprise than the proposed Wheat Board.

Domestic Trade Involved

Hitherto it has been supposed that the producers desired export boards. The operations of export boards are fairly well understood at Ottawa and they are a type of organization which the Federal Parliament, constitutionally, has the right to create. But the proposals of the producers are now disclosed as vitally affecting the domestic as well as the export trade.

In fact, the producers desire the right to control the sale of livestock and dairy products throughout the Dominion. By sale, is meant the first transaction between the producers and the wholesaler, jobber or packer. But if this right is conceded it is clear that the various boards could go further and invade the field of the secondary industries. They would, so to speak, possess a monopoly of the raw material.

Conflict of Authority

Moreover, control of the domestic as well as the export sale could not be exercised by a single board. This is implicit in the proposal of the growers. They desire legislation which will enable producers to set up regional, provincial and Dominion boards.

It is obvious that the scope of the proposed legislation is beyond the jurisdiction of parliament. It would be necessary to have joint enactments by the Dominion and the provinces. Ottawa is now asking, as a preliminary question, whether or no the provinces have agreed to the policy and, if so, is there any chance of having provin-

(Continued on page 2, col. 2)

Highlights of the week

Gold Policy

Is it better to mine high-grade ore now to get the benefit of the record price, or to prolong the life of mines by lowering the grade milled? The attitude of large Canadian mines and the position of investors. Page 16.

Rackets

How the pen and pencil are made to work the will and fill the pockets of the unscrupulous. What the "policy" gaming racket is, and how it works. Page 11.

Canal Tolls

Shippers and water carriers contend tolls would merely divert traffic into other channels. The Financial Post favors tolls, but presents the other side of the case. Page 3.

Roosevelt's Charts

Sluggish November looked better to Mr. Roosevelt than booming July, says J. L. Burton Lewis. What the American president considers improvement, and how he measures it. Page 3.

Public Works

There is plenty of work to be done in Canada, but who is to do it and pay for it? Another extensive analysis of public works construction. Page 9.

John Hart

Career and personality of British Columbia's new finance minister who has been raising financial smoke on the Pacific Coast. Page 9. How Mr. Hart's agitation for lowering debt costs may bring refunding in the West. Page 1.

Newfoundland Recovery

Canada's next door neighbor is coming back. What the rise of sterling means to fishermen and to purchasing power in the oldest colony. Page 1. St. John's sells its bonds. Page 2.

Tariff Changes

Shake-up of personnel in the department of national revenue may mean changes in interpretation of import regulations. Page 1. How growers and jobbers have parted company on policy regarding fruit and vegetable duties. Page 7.

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TARIFF BRANCH NOW IS SLATED FOR NEW DEAL

Matthews, Sim and Scully May All Get New Jobs

BREADNER RETIRING

Two Men Responsible for Arbitrary Enforcement of Super Tariff Disappear in Ottawa Shuffle

From Our Own Correspondent

OTTAWA.—Retirement of Hon. E. B. Ryckman as Minister of National Revenue brings to a close a customs administrative era begun in 1926 (after the departmental enquiry of 1925). A reorganization of the department, which will radically change the executive personnel is now under consideration. R. W. Breadner, Commissioner of Customs, and a directing mind in the enforcement of the tariff for the past seven years, is to be superannuated.

The new set-up, it is learned, will be R. C. Matthews, M.P. for Toronto, as minister; Hugh D. Scully, presently in charge of the excise division, as commissioner of customs; David Sim, private secretary both to Hon. W. D. Euler and Mr. Ryckman as commissioner of excise.

New Era Seen

While Mr. Matthews, Mr. Scully and Mr. Sim are all familiar with the past administrative policies of the department, their assumption of office will mark a new era in enforcement of tariff and excise taxes. It is regarded as certain that the marked emphasis on protection will tend to disappear and that departmental interference with trade in the form of dump duties, exchange duties, arbitrary valuations, will be less frequent.

Mr. Ryckman's resignation came directly after an about-face on an important tariff question. On November 24 the National Revenue Department issued an order imposing an exchange dump duty on imports from the United States. Imports were to be valued at 100 cents, Canadian money, regardless of the actual value of American dollars. On November 29 this order was rescinded and a new order issued declaring that no dump duty should apply until the exchange differential exceeded five per cent. Mr. Ryckman's resignation was submitted on November 30, and Premier Bennett made the announcement December 1.

Not Due to Ruling

The course of events has given rise to a general belief that the imposition of the dump against the United States was regarded by Mr. Bennett as a cardinal error for which resignation was the only expiation. Authoritative information here is to the effect that this is not true. The cabinet as a whole approved the original dump so that whatever blame attached was shared by all. The second order, likewise, was the decision of the cabinet.

Mr. Ryckman has been on the verge of retirement for at least a year. His health has been failing steadily and he is no longer capable of sustaining the heavy burdens of tax administration. It is true that there have been differences of opinion in the cabinet with respect to tariff policy and, also, in connection with administration. A few weeks ago it was evident here that Mr. Ryckman resented, to some extent, the disposition of the Prime Minister to interfere in departmental matters when the department was unduly harsh in its rulings. But the dispute, it is understood, was never serious and at no time threatened to result in an open breach.

Disputes Exaggerated

Current rumor to the contrary, the disputes in the present Government with respect to tariff policy and enforcement have not been greater than occur in most Governments. They have not been as embittered, for example, as the disputes which marked the gradual disintegration of the last King administration during which Hon. W. D. Euler and western ministers were almost at sword points.

Nevertheless the past two years have indicated clearly that Mr. Ryckman has been consistently in advance of the cabinet in the matter of high tariff interpretation. He has been recognized as the leader of the high protectionists in the ministry and frequently has taken departmental measures which incurred the criticism of his colleagues.

Mr. Breadner's impending retirement is of equal significance. He has been the directing head of the customs department since 1926 and is known here as a strong "Canada First" man. His experience and background in tariff matters is unrivalled but he has embittered many business men by arbitrary and impractical rulings.

Scully Moves Up

When the reorganization is completed, there will be a complete change in the senior officials. Hugh Scully, who is likely to succeed Mr. Breadner, is now in charge of excise and is a comparative newcomer to Ottawa. He was appointed by Mr. Ryckman a few years ago, coming from Toronto. He is reputed to be a high tariff man, without, perhaps, the deep "Canada First" convictions of Mr. Breadner. Mr. Sim, who is thought certain to succeed Mr.

(Continued on page 2, col. 1)

Tables for Christmas Gifts

These represent a group of Canadian-made Reproductions by Gibbard, copied from very fine pieces secured by our buyers at Chicago Exhibition—and offered at exceptionally low prices.

OAK DROP LEAF TABLE
Reminiscent of Tudor period. Octagonal top with carved band and sturdy legs.
Cash price
$17.00

GALLERIED SHELF TABLE
Beautifully proportioned and most useful for books at end of chesterfield.
Cash price
$14.50

MAHOGANY COFFEE TABLE
Delightful table of Empire type with fluted legs and brass-capped feet.
Cash price
$10.75

MAHOGANY DROP LEAF
Table suggestive of Sheraton period with slender legs and plain oval top. For tea or coffee.
Cash price
$12.75

OAK NEST OF TABLES
with carved edge and rail on the top table of the three. Twisted legs of Jacobean.
D. P. price
$27.00
(Less $1.60 for cash)

MAIN FLOOR
EATON'S - COLLEGE STREET
PHONE AD. 5011

The Nation's Business

(Continued from page 1)

distributed among a larger number of people;

Jobs for factory workers have definitely increased;

Prices of manufactured products have increased, to the benefit of factories and wage earners, but against the interest of farmers and other primary producers;

Merchandising "abuses," somewhat indefinitely labelled unfair competition, have been greatly reduced, but it is not yet certain that all the so-called abuses really are such;

Exploitation of children, women and other workers has been radically reduced;

The influence of organized labor has been increased but labor leaders have largely failed in their effort to ride N. R. A. to industrial dictatorship;

Industry has temporarily gotten rid of the anti-trust laws but doesn't know yet whether these will be replaced by a State control that may be even more repressing;

The control of capital investment in industry to prevent overexpansion is a hurdle yet to be jumped;

Co-operation between owners and workers in some industries where warfare formerly ruled—steel, textiles and coal for instance — has been tremendously advanced.

* * *

THE record looks rather favorable on the whole. But it is chiefly a record of advance towards objectives rather than attainment of objectives.

The immediate crisis in the N. R. A. is that the gains have been irregular and have been achieved at the cost of new disequilibria to replace the old ones.

The final test will come when the emergency measures become less important; and the State regimentation of industry takes on a permanent aspect as part of the larger New Deal. No one who has studied the emotional currents in American business history will attempt to forecast the final result.

* * *

Federal Advances and Provincial Finance

WESTERN provinces are again hammering on the doors of the Federal treasury asking for additional advances. As was shown in an article in our last issue, these advances to the four provinces west of the Great Lakes already total more than $40,000,000, not counting special relief advances to prairie farmers. Mr. Bennett's cabinet has apparently loaned freely to governments of whatever political persuasion, Manitoba and Alberta with farmer governments being as much favored as British Columbia and Saskatchewan with Conservative governments. And the new prime minister of British Columbia, a Liberal, is apparently going to ask the Dominion to solve his financial problems. In Mr. Bennett's response to the western appeals there has been a spirit of generosity not dictated by any desire to help his political friends. He has had the difficult task of protecting the country's credit and has apparently decided that to do that job thoroughly he must prevent any of the provinces from defaulting.

* * *

WHILE the loans started off as advances to meet maturities and New York exchange premium, they were soon made to meet relief expenditures and finally current expenditures of government.

There is room for difference of opinion as to whether or not the Federal treasury should ever have made these advances and Mr. Bennett is not particularly to be criticized for having taken the course he did. But every such advance should have carried with it an increasing control over provincial expenditures in order that Mr. Bennett and his cabinet could have assured themselves that the Federal credit was not being utilized to support, in any degree at all, waste or extravagance in any of these provinces. Who pays the piper should have something to say about calling the tune. But apparently Mr. Bennett has felt loath to tell the western provinces how they should spend even the Federal money that was being loaned to them and as a result measures of rigorous economy have been but slowly instituted in the western provinces although they have been forced upon private individuals in the prairies and on the Pacific Coast.

* * *

ABOUT a year ago Mr. Bennett laid down the law to Premier Bracken of Manitoba in regard to provincial expenditures, but it seems quite obvious that he has been less forceful in following up his ultimatum than he was in the reading of the riot act.

If Ottawa is to finance the provinces it has a right to sit in with provincial cabinets when they draw up their budgets, just as a bank would dictate to a private corporation to which it made emergency loans to save it from default.

The whole situation was thoroughly explored in an article last week and some of the reasons why Ottawa has been reluctant to act firmly were brought out. But Mr. Bennett, for the protection of himself and of the funds of the taxpayers of the Dominion, should adopt the firmer attitude that he must have long been tempted to assume.

He will receive in return much political criticism in the West but the majority of the taxpayers of the Dominion will back him up.

TARIFF BRANCH NOW IS SLATED FOR NEW DEAL

(Continued from page 1)

Scully, is a young Kitchener lawyer brought to Ottawa by Mr. Euler. His administrative capacity has won him the confidence of the Bennett Government and as he is a young man he is undoubtedly marked out as a future commissioner of the department. Mr. Sim's personal views on the tariff are not known but are believed to be moderate. He came to Ottawa so young that his attitude toward tariff is that of an administrator.

But of more importance than either of these officials is the prospect that the cabinet portfolio will fall to R. C. Matthews. Following Mr. Ryckman, this will be a distinct move on the part of Mr. Bennett toward moderation in tariffs. Mr. Matthews is a protectionist and a strong Conservative but has never subscribed to the more militant wing of "Canada First."

It is interesting to recall that Mr. Matthews was said to have been Mr. Bennett's first choice as minister of national revenue, back in 1930. The first cabinet slates all carried his name in place of that of Mr. Ryckman.

The explanation given at the time was that Mr. Ryckman was believed incapable, owing to poor health, of accepting a portfolio. Mr. Ryckman, however, felt differently and not only his seniority but his past services to the party could not be overlooked.

MARKETING BIG ISSUE FOR OTTAWA

(Continued from page 1)

cial legislation enacted during the various sessions soon to begin.

The meeting at Toronto was a round-table conference of representatives of 54 co-operative and governmental organizations in Canada, interested in production and marketing of agricultural produce. It grew from a smaller conference of western producers held at Regina two months ago.

Chief result of the meeting was appointment of a committee of ten to press the matter at Ottawa and passage of a resolution to be presented to the federal minister of agriculture. Speakers before the meeting outlined what had been done (or not done) by various co-operative bodies in Canada; the legislative difficulties of proper legislation in Canada, and the experience of other leading countries, notably Britain, United States and Australia.

Committee Named

The committee appointed by the conference is under the chairmanship of W. A. Amos, president of the United Farmers Co-operative Company, Ltd., with R. H. Milliken, K.C., of Regina, counsel for the Saskatchewan Wheat Pool, as secretary and H. B. Cowan, of Peterborough, editor of Farm and Dairy, as assistant secretary.

Members of the committee are: W. A. Landreth, Canadian Poultry Pool, Winnipeg; A H. Mercer, general manager, Fraser Valley Milk Producers' Association, Vancouver; O. W. Hembling, vice-president, Associated Growers of British Columbia, Vernon, B.C.; P. Roblin, president, Saskatchewan Livestock Pool, Saskatoon; R. H. Milliken, K.C., counsel for the Saskatchewan Wheat Pool, Saskatoon; E. H. Clarke, secretary of the Whole Milk Producers' Association, Aurora; J. F. Desmarans, manager, Co-operative Federee of Quebec, Montreal; J. W. Boulter, deputy minister of agriculture, P.E.I.; M. M. Robinson, vice-president, Ontario Market Growers' Council, Toronto; W. A. Amos, president, United Farmers' Co-operative Company, Limited, Toronto.

Text of Resolution

The resolution passed by the meeting is as follows:

"Be it resolved that this body of producers, representative of major agricultural activities in Canada, request the Federal Minister of Agriculture to forthwith cause to be prepared a farm products marketing measure which, in so far as Federal legislative authority extends, will enable the producers of agricultural products in any part of Canada to take advantage of legislation that may be Federal or provincial, embodying the principles of the British Agricultural Marketing Act and that such Federal legislation, before enactment, shall be submitted to the committee appointed by this conference to promote the enactment of such legislation."

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FREER BEER LEGISLATION MAY CUT SPIRITS SALES

(Continued from page 1)

usually best informed politically to agree with stock market opinion.

Beer by the Glass

The legislation, The Financial Post is informed, will be introduced at the next session of the Ontario Legislature but it may be announced that the legislation will not be proclaimed by order-in-council until after the provincial election, whenever that occurs. If that is so, it would mean that the Government might make beer one of its main planks. Some oppose that policy, believing that actual operation of the law would be better for the Government in an election campaign. This view is that the Liberals will probably criticize the Government policy as not going far enough in any case.

Will Sell Cheaper

It is probable that there will be provision for sale of beer in hotels and clubs by the glass or bottle or both. Whether or not sale will be permitted through grocery stores is not known but in any event beer purchases will likely not require a permit in future.

At the present time Ontario prices are about seventy-five cents per case higher than Quebec prices and with greater volume in their plants the Ontario brewers should find it possible to bring their prices closer to those of the neighboring province.

Advertising of beer in newspapers and periodicals will probably be allowed but as in Quebec it is doubtful if billboard advertising will be permitted.

General guess is that there will be sale under new laws of beer in Ontario by next July. Governments can change their minds at any time until legislation is introduced and policy actually enunciated but the present situation is believed to be as set forth.

To say that the brewing industry as a whole is likely to have greatly increased output does not mean that every brewery will profit. The expectation for increase is based on the moral certainty that the price of beer will drop about 20 per cent to near level of Quebec beers, on the belief that with sale and distribution easier Ontario drinkers will once more favor beer over hard liquors as they once did, and on the conclusion that under the new conditions of cheaper beer more easily obtained home brewing in Ontario will receive a knockout blow. It is also believed that bootlegging of home brew and of tax-evading beer from some small, local breweries will become unprofitable and dangerous. This underground drinking will come out in the open and be very helpful to an industry which, under current conditions, has been operating at only 16 per cent of capacity.

Brewing Corp.'s Objective

The example of Quebec where the industry is carried on under the aegis of two main companies, National Breweries which has absorbed many formerly very well-known brewing companies, and Molson's which is a smaller but effective and well-entrenched concern, suggests that some such outcome may come in Ontario. In fact, Brewing Corp. of Canada was started in Ontario in 1930 with the objective of accomplishing the same result in Ontario. The main object was by uniting to eliminate the unnecessary expense caused by excessive competition.

More Amalgamation Foreseen

Is there to be more amalgamation? Aird, Macleod & Co., members of Toronto Stock Exchange, in a study of Brewing Corp. of Canada just prepared, believe that there will be more. In the course of their analysis they say, "While this programme is not yet fully complete, the probability is that further progress will soon be resumed to the advantage of shareholders."

The Financial Post reading of the situation is that further amalgamation is altogether likely. Executives have already shown their belief that destructive competition is less likely as control widens over the industry. Even at the expense of increasing capitalization they are mostly concerned with the undoubted saving that would come from concentrating brewing operations in the most modern and effective breweries at 100 per cent capacity.

Law Affects Beer Sales

Aird, Macleod & Co. points out that in 1913, when Ontario and Quebec had similar laws, sales in Quebec amounted to 13,104,571 gallons of beer and in Ontario to 23,112,781 gallons of beer. What legislation can do to an industry is well exemplified in these two provinces. Under the Quebec liquor law consumption of beer has gone up until in 1932 sales were 27,453,770 gallons and during the same period under Ontario liquor law consumption dropped to 8,578,560 gallons. They doubled in Quebec and dwindled in Ontario to little more than one third of the former volume. If the same laws had obtained, Aird, Macleod & Co. believe that Ontario would now be consuming at least 35,000,000 gallons, or even 45,000,000 gallons if increase had been at the same rate as in Quebec. The conclusion of the study is that, given an act similar to the Quebec Liquor Act, Ontario people will resume their habit of drinking low alcoholic beverages.

Market Valuations

The capacity of all Ontario breweries is 50,000,000 gallons and of that the capacity of Brewing Corp. of Canada breweries is 20,000,000 gallons. Brewing Corp. in 1933 has been operating at 16 per cent of capacity as has the industry as a whole. In the three years ended October 31, 1933, the company has earned sufficient to meet all operating costs, taxes, interest charges and something toward depreciation. The capitalization has recently been valued on the market around $4,000,000 but the constituent companies were valued in 1927 and 1928 on the basis of public financing at about $12,000,000. Carling Breweries alone accounted for $4,320,000 of this when 160,000 shares were publicly offered at $27 a share and afterwards advanced on the market above $35 a share.

The 1927 and 1928 valuations are obviously far too high on depression standards. The new law may create other standards again. One might conclude, however, that there are possibilities such as pointed out by Aird, Macleod & Co. and that these may become probabilities if the law is along the general lines of the Quebec Act and if various units in the industry decide to co-operate rather than to fight.

Labatt's to Stay Out

Outside of Brewing Corp. the principal brewing companies are Labatt's, which may be expected to continue as a strong, going, individual concern. There is O'Keefe's whose stock is closely held and which may either play a lone hand or consolidate with others. There is also Canada Bud, whose stock is more widely held and which had a good earning experience for awhile. Great interest will attach to its next financial statement to see whether its earnings, working capital, assets and liabilities are of a nature to permit a suitable share exchange or dicker proposition looking to union. Its exact situation is hard to fathom as it does not publish a consolidated financial statement.

Then considerable attention has been drawn to Walkerville Brewery Co., which has just listed its stock on Montreal Curb. Like Brewing Corp. it is not now making a profit but it expects to do so with the change in law. It has a very strong working capital position, will be friendly to the other principal units whatever they may be but will try to work out its own salvation in its own way. No mention has been made of Cosgrave's which can be expected to work in closely with Brewing Corp. because the latter owns 33 per cent of the stock: that constitutes an effective control.

The experience in England is all on the side of merging. For years past the process of merging companies and cutting down plants has been going on just as it has been in Quebec.

Tax Cut Increases Beer Sales

Canadian companies and Dominion Federal and Provincial departments are also noticing with interest the immediate increase in beer consumption in England since taxes were reduced last April. In 1930 monthly production of beer in the United Kingdom went up from 4,105,000 standard barrels to a high of 5,033,000 barrels and this had dropped to 2,563,000 standard barrels in March, 1933. Then came the drop in the tax and consumption went up to 4,117,000 barrels in September. It is understood that the Dominion Government has also found that the reduction in the cigarette tax has not meant a loss in actual revenue. It is urged here that similar reductions on beer and wine would turn many tastes from higher alcoholic content liquors. There has been a large decline in England in whisky consumption for instance.

All these possibilities make for active markets in the next few years in stocks of the principal brewing companies in which the public has an interest.

Ontario's 147,000 Brewers

It is alleged that there is more beer made in the homes of Ontario than in the breweries. Brewers appear confident that cheaper beer of the better quality possible from sanitary and regulated breweries will take the making of beer out of many homes. Brewers have protested to Government authorities very strenuously about this untaxed competition. On June 30, 1924, permits were given to 27,559 persons to brew beer for the use of themselves and families. This had increased by September, 1928, to 110,472 persons and at the end of 1931 to 146,890 persons. This was a 430 per cent increase in seven years and made up 75 per cent of such permits issued in all Canada.

When the last budget was brought down by the Federal Finance Minister, it included a tax on home brew materials. Home brewing decreased somewhat as a result but the tax was not large enough to make any large impression on the business.

VITAL CHANGES PEND IN MARKETING POLICY FOR CANADIAN WHEAT

(Continued from page 1)

among members of the exchange for the Wheat Agreement has not passed unnoticed by the government.

Policy Uncertain

The policy which the government will adopt is believed most uncertain. The ministers, it is said, are keeping open minds and are giving serious consideration to all representations. From the government's viewpoint there are some disadvantages in both the wheat board proposals.

The advisability of setting up a commission to take over Mr. McFarland's duties was considered last session but was abandoned. The decision, then, it was understood was based upon the fact that such action must involve parliamentary approval and a complete examination of the position of the treasury with respect to the Dominion guarantees. The government, it is clear, has nothing to hide. There has never been a suggestion of improper conduct. John I. McFarland is accepted by both Liberals and Progressives as a man of unimpeachable integrity. But there is a doubt as to the effect which a public statement of the facts might have upon wheat prices and this doubt still exists.

Bennett Opposed

And in past years the Bennett Government has resolutely resisted representations of the pools and other parties for a Wheat Board. To set up such a board would mean that the government would accept direct responsibility for the wheat trade and, indirectly, for the welfare of wheat farmers. It is possible, of course, that the government believes it will be held responsible in any event and might as well take over the marketing business in toto.

So far as can be learned there is no desire on the government's part to intervene in the grain trade for the mere sake of intervention. The government's only interest is in the Wheat Agreement which contains the official solution of the wheat problem. The vital clauses in this agreement call for a division of world markets between exporting nations and a reduction in acreage and, thereby, in production. In order to apply this policy wheat production in Canada must be curtailed.

Board Would Give Control

By taking over the marketing of wheat, the government would be in a position to exercise control. This could be done in several ways. The Wheat Board would be the neck of the bottle through which all wheat must reach world markets. The neck could be squeezed or enlarged as the government saw fit. An obvious policy of acreage reduction would be to instruct the board to cut down purchases from farmers. The board could serve notice on farmers that their wheat deliveries next year would be limited to 85 per cent of the previous year.

This is the root problem confronting the government. Whether its solution will be sought in a Wheat Board will probably be made clear within the next three weeks.

MANY FACTORS AID OUTLOOK NEWFOUNDLAND

(Continued from page 1)

determined schedule for cargoes being forwarded to Portugal and Spain and to limit these shipments to 10,000 quintals or less. These measures are intended to help prevent saturation of any particular Mediterranean market with more fish than it can dispose of at one time.

Foreign Markets Improved

The present healthy condition of these same markets is also gratifying for the Newfoundland trade. With the exception of Brazil, where the financial situation is growing adverse, demand is fairly brisk in all foreign markets where Newfoundland cod finds sale. Indeed in Lisbon a 20,000 quintal shipment has been just taken; the last Newfoundland fish sold there was in 1921. If the island fishermen can succeed in even partially standardizing their cod for export many feel confident that some of the lost markets can be reinterested.

Cod Liver Oil Prospects

One of the Ottawa Conference agreements was preferential tariff for Newfoundland cod liver oil. This duty, one shilling and fourpence a gallon, is now in force but up to the present the local market has not reflected any marked price strengthening, mainly because English buyers, well aware of the pending import duty, had stocked up with Norwegian oil. The local market quotes 50 cents a gallon.

It will doubtless take time before buyers in the United Kingdom will be reconciled to paying a premium in price for Newfoundland oil, even of admitted superior quality. Nevertheless, some well known firms, such as Boots and Boroughs-Welcome have already placed encouraging orders. Poultry oil in increasing amounts is also being sent forward.

Salmon Shipments Gain

Production of Newfoundland frozen and chilled salmon has now grown into an extensive and important industry. And as it begins early in June it is over before the cod-run fishermen can take full advantage of this profitable fishery. The centre of the fishery is in northern Newfoundland and Labrador and the largest participator is the Hudsons Bay Co. unique refrigerator-ship, S.S Blue Peter.

Salmon can be brine frozen, packed, and stored in low temperature chambers on board this 4,000 ton ship at the rate of 50,000 pounds a day. The ship follows the landward navigation of the salmon, along the coast, thus ensuring prime quality freshness of the catch. When loaded the Blue Peter proceeds to Southhampton and her cargo finds sale in the English market.

Shipments of salmon to England during the past season totalled 2,009,745 pounds as compared with 1,614,736 pounds last year. Some 800,000 pounds were also shipped from Labrador for sale in Canadian and United States markets. Consumption in England has been very satisfactory owing to the hot weather which is always a sales stimulant. And it would appear almost certain that stocks will be cleared fairly early in the new year.

The chief difficulty in handling cold storage products is not the initial freezing and shipment but to keep the products in optional condition over a long period. For foodstuffs, especially fish, this is exceedingly difficult and costly, and the loss to the trade by holding over old stocks has been recognized by the firms in this business and as a result of co-operation among them production has been limited to the quanitity that it is estimated will be consumed during the year. At the same time, every opportunity is being taken to extend the market by taking advantage of the increased demand that has resulted from the Newfoundland products' reputation for quality.

Lobster Pack Prospects

The lobster pack in the chief fishing centres, Placentia Bay and St. Barge District, is reported to be about 9,000 cases. Demand in the U. S. market is good and in consequence local prices are rising. Sales at $18 a case have been made. The English market, however, recently fell off 3/ a case and it is doubtful whether the higher prices will be maintained for the fall pack. Many dealers already feel that the present demand is unsound and that the market will eventually break. Although a marked improvement has been evident in this fall's pack the general welfare of the Newfoundland lobster industry is far from bright.

It is felt by interested observers that no attempt has been made to enlist the essential co-operation of the fishermen whose present fishing methods are unduly destructive. Indeed a leading buyer is of the opinion that the lobster industry is practically wiped out.

A similar condition prevailed during the years leading up to 1925 when all fishing was prohibited. In 1928 lobsters were again allowed to be caught and some 22,000 cases were packed. But the catch has declined rapidly since then. The industry is in need of an intelligently conceived plan for protection against over fishing and indifferent packing.

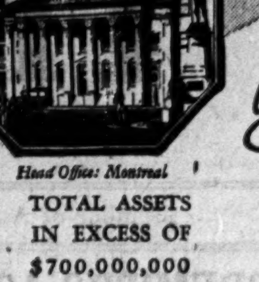
SAME PLAN OF VALUATION IS FOLLOWED

(Continued from page 1)

by life insurance companies. The underlying principle of the basis is the same as that which applies to the valuation of bonds, where the amortization plan is followed and to mortgages where book values are used, a principle which after an experience extending over many years has proved its fundamental soundness.

The resolution which passed unanimously declares that life companies in their year-end statements for stocks may use book or cost values which ever is the lower in the aggregate.

The new system is said to apply the same principle to all classes of securities in which a life company may legally invest. It is endorsed by insurance commissioner and many leading executives. And is based on intrinsic worth rather than on values on any particular day of the year.



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Roosevelt's Charts Show November Better Month Than Booming July

This is Because He Seeks Equilibrium Rather Than Sudden Spurts of One Index Out of Line with Another—Problems He Faces

By J. L. BURTON LEWIS

If progress of the recovery and reconstruction efforts in the United States are to be judged in terms of President Roosevelt's purpose—to bring economic balance through use of political powers—it is necessary to study the economic disparities that have been corrected, those that still exist, and their extent, rather than the more standard indices of business activity.

The public has heard but little of the charts by which Mr. Roosevelt keeps himself posted on the economic trend. On these charts the President's statisticians plot a number of business factors. The difference between these charts and ordinary business charts lies not so much in what is plotted on them but in how the President and his advisers interpret them. They do not look for "gratifying" spurts in this factor or that. They are looking for the different lines to meet. The President seeks equilibrium more than he seeks sharp upward movements of the lines in his charts.

Seeks Equilibrium

In only one chief particular has the President set for himself a specific objective: he seeks the re-establishment of the 1926 price level. For the rest, his goal is to equalize production with payrolls, employment and demand; prices with purchasing power; and investments with the capacity of the country to absorb new goods.

He believes his policies are bringing these various factors toward a common level, a view that is supported partially by statistical evidence, and that when they do reach such a point—whether high or low—his programmes, now in a state of flux, can be stabilized, and new moves toward sweeping economic and social reconstruction can be launched.

Significance of July

The clearest possible indication of the President's view is provided by the fact that, although July showed on most business charts as the month of greatest activity so far in 1933, excelling any month since early 1931 despite the severe stock market recession, it ranked as one of the worst months in history, under Mr. Roosevelt's method of calculation.

Industrial production in July reached the high point of 100 on *his index*, accepting the 1923-1925 average as normal, which sounded cheering enough, but factory employment was at only 70.1, while payrolls showed at 49.9. With balance as the goal, the impressive feature of the month was not the high level reached in industrial output, but the fact that wages were 50.1 points and jobs 29.9 points under it on the index. At no other time during the depression were these disparities so great.

To the President this disparity was the significant thing, the high peak of industrial production, which is what nearly all other business commentators were looking at, was relatively unimportant.

November Was Better

Since that time industrial activity has dropped rapidly, reaching an estimated low of 74 for November, but factory employment has climbed to 72, while payrolls have moved upward falteringly to 57. As a result the new disparity factors—with jobs only two points and payrolls 17 points below production—are the lowest since early in 1931.

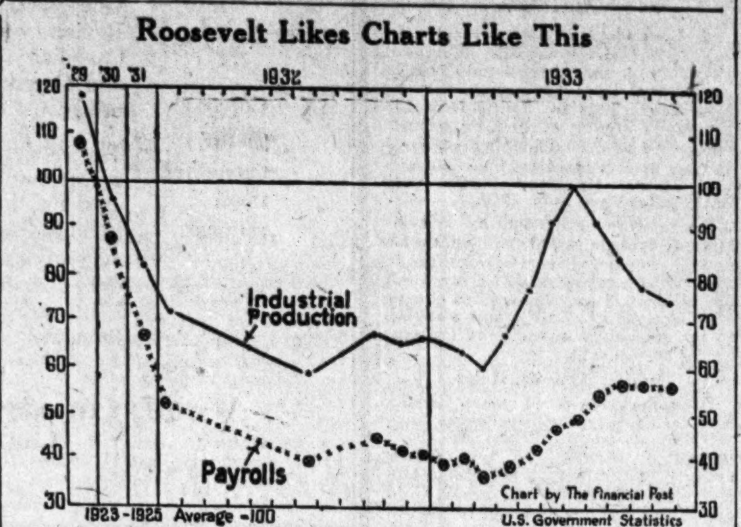
Since the average movement of these figures has been upward and there is a trend toward balance, it would be pleasant, and might seem justifiable, to agree with the men who compile this index for the President that the three lines representing production, payrolls and employment will come together at a level slightly above 65 in January or February. They predict a similar showing for freight carloadings and department store sales, as indicators of goods in motion and in use, and a gradual movement upward, subsequently, of all five lines, holding rather closely together. (The figures can be studied in the subjoined table).

How Results Achieved

Before adopting any such happy conclusion, however, it is necessary to examine the methods used in gaining these results, their cost, and obstacles that may halt the trend.

Sound grounds can be found for believing that it is neither the regulatory nor the directional power of the government, but its spending power, which should be viewed as the chief influence at work, aside from those which are natural and world-wide.

Roosevelt Likes Charts Like This



President Roosevelt measures the economic well-being of his country by the degree to which various factors are in equilibrium. July was a month that cheered business men because it showed a new high in industrial production; but it worried Roosevelt because it showed industrial production out of line with payrolls and employment. To him November was a better month because the various lines on his charts came closer together, just as the two lines on this chart do.

Two of the significant factors that President Roosevelt studies are plotted on this chart—industrial production and payrolls. And index numbers for the five most important items he studies are given below:

	Industrial Production	Payrolls	Factory Employment	Dept. Store Sales	Freight Loadings
1929	119	107.7	101.1	111	106
1930	96	87.4	87.8	102	92
1931	81	66.0	74.4	92	75
(averages of above)					
Jan., 1932	72	52.4	68.1	78	64
July	58	39.6	58.3	65	51
Oct.	67	43.5	61.2	69	57
Nov.	65	41.8	61.1	63	57
Dec.	66	40.9	60.6	60	58
Jan., 1933	65	39.2	59.4	60	56
Feb.	63	40.0	59.4	60	54
March	60	36.9	56.6	57	50
April	66	38.6	57.7	67	53
May	78	42.0	60.6	67	56
June	92	46.2	64.8	68	60
July	100	49.9	70.1	70	65
Aug.	91	55.7	73.3	77	61
Sept.	84	57.6	74.3	70	60
Oct.	77	57.4	73.9	69	58
Nov. (estimated)	74	57.0	72.0	71	60

Most of the new theories, proudly promulgated, have still to show whether or not they possess merit. Meanwhile, it has been demonstrated clearly that it is easy to spend public money.

Although no official agency coordinates the figures, it is conservative to estimate that more than five billion dollars have been expended for purposes of relief, recovery or reconstruction by the United States government since President Roosevelt took office. This has brought the positive result of increasing the nation's annual payroll by about three billion dollars. Continual expansion of the spending, such as is now going on, will, of course, add still further to the payroll. It is questionable, however, whether the business activity produced by the use of government money will gain sufficient momentum to sustain itself when it becomes necessary to curtail the federal outlay. On the strength of results to date, most economists doubt it.

Buying Recovery

The "contingent liabilities" so far assumed by the federal government in connection with the recovery programme, according to the National Industrial Conference Board, amount to more than fifteen billion dollars, with a large part of it repayable. Regardless of what comes back, however, this amounts to an outlay of more than $100 per person in the United States. No matter what theories it operates under, any country that can make such expenditures should be able to buy quite a bit of recovery at that price.

It is expected that the governmental spending programme will reach its peak during January and February. This may seem to bring true the prediction of advisers to the President that a large group of economic factors will be brought into balance at about the same time. But federal spending is expected to drop from March forward—very gradually at first. Such a circumstance will provide an acute test as to whether business and buying power have made sufficient gains to maintain, of themselves, this prospective balance, much less to send the general index upward once more.

Doubt exists of the ability of business to pass through any such test because the government has failed so far to correct two other conditions of disparity on which it has concentrated a large share of its efforts and expenditures, and also because it has failed to wipe out a financial paradox which is, in its way, as astonishing as the existence of want in the midst of plenty.

The conditions of disparity are:

Farm buying power, when expressed in terms of the things the farmer must buy, is still almost as inadequate as it has been at any time during the depression.

The section of industry which produces capital goods, as distinguished from consumption goods, has not yet enjoyed any important measure of recovery.

And the paradox lies in the fact that virtually no private funds are being invested in capital projects, although there is an abundance of money available and it is claimed many such developments are needed.

Efforts of President Roosevelt to relieve the plight of the farmer are all well known. One of the chief aims of his monetary policy has been to raise the prices for agricultural products. Prices of many articles have been pegged, through the agreement of the government to loan more on them than they were worth at the market level. In an effort to gain control over production and to support future higher prices, the Agricultural Adjustment Administration has paid out $111,000,000 for cotton not grown; $140,000,000 for hogs butchered and corn ploughed up; $70,000,000 for wheat not harvested; $25,000,000 for tobacco not produced and $30,000,000 for surplus butter.

These steps have brought very little relief to the farmer. Whether they will, in later years, achieve the measure of crop control desired cannot be estimated in advance. This year 10,000,000 acres of cotton were taken out of production—ploughed under—yet the crop will be 100,000 bales higher than last year, as a result of favorable growing conditions and more intensive cultivation of the acreage left in crop. Farmers were glad to turn over their pigs to the government, when it sought to clear up the pork surplus, but they kept their sows—presumably to be able to sell more pigs to the government at high prices next year.

It depends upon the whims of humanity and of Nature whether similar results will not follow the attempts to control other varieties of crop production.

Capital industries have shown little tendency to react to the stimulants given them. The federal public works programme, which is expected to work up to its peak in March, is the largest undertaking of its kind ever launched by a government, yet building contracts for November, including figures for federal work, stood at only 38 on the index, in comparison with 74 for other industry. It is evident that private activity in this field is still negligible, since the public works administration claims to have 1,700,000 persons on its payroll.

An additional 4,000,000 persons are being put to work at once on short-term jobs, known as "civil works." This new plan, however, is little more than disguised relief and varies from public works in the highly important particular that the projects it includes do not, in any great measure, benefit capital industries.

Other Grave Uncertainties

The two most publicized features of the Roosevelt programme—the monetary experiment and the activities of the National Industrial Recovery Administration—are also the two surrounded by the greatest number of uncertainties. Independent observers are almost unanimous in the view that they have failed to achieve their larger purposes, which must be changed or dropped, and that they have contributed greatly to the uncertainty which has prevented the movement of private funds into investment channels.

It is probable both policies will be retained. The N.R.A. has been diverted from its original purpose of bringing self-regulation to a few key industries, has not proved of great use as a short-term mechanism for ending the depression, and has not succeeded in keeping buying power ahead of rising costs. But it does represent the vision of a new social order—planned economy in embryo—and as such will probably be revised again and again, until the administration gets it into a form it considers satisfactory. Resumption of investment, however, is likely to be delayed until there is some certainty as to what that final form will be.

Uncertainty Over Currency

The gold buying plan, having failed to bring about the price rises it was expected to produce, is presumably being retained for political purposes. By continuing the plan and yet not using it to a large extent, while refusing to yield to either the extreme inflationist or "hard money" blocs in Congress, it is likely President Roosevelt will retain control over a legislative centrist group, which will leave in his hands the full power he now holds over the currency.

Uncertainty over currency, of course, has proved a barrier against the extension of long-term credits into normal business, while the Securities Act and the bank guarantee provisions, which are objectionable to the financial community, have also retarded the government's programme of credit expansion. The physical law that it is impossible to double the size of an article by doubling the room for it has proved operative in this field where the sum of credit available has been increased without adding much to the total of sound credit in use.

Money That is Lost

But, returning to the introductory thought in this article, it is doubtful whether Mr. Roosevelt is really anxious to see any large resumption of investment until his goal of balance has been reached, even though most economists believe investment must precede the balance. The President has made it clear, at least, that he considers the excessive productive capacity of the country, when capitalized, represents money the country has lost, and that he believes it will be possible to estimate the normal absorptive capacity of the country only after the vast surpluses built up in May, June and July, when industry speeded up cheap production in advance of the codes and processing taxes, have been distributed.

In estimating the immediate situation it seems fair to conclude that efforts to "spend itself wealthy," as a supplement to world conditions, have been the main force contributing to the measure of economic recovery or reconstruction accomplished in the United States, and the influence of new theories has been secondary. Critics of what is being done, realizing this fact, fear that the method will ultimately undermine the credit of the country and suspect the government has forgotten that the only way wealth can be obtained is through the production of wealth, by putting goods in motion.

A concluding article in this series will consider the international implications of the Roosevelt programme, and the way it is likely to affect Canada.

BRITISH OFFICIAL CITES BENEFITS OF OTTAWA PACT

Chemicals, Shellac, Tinplate and Books Specifically Mentioned

PROGRESS REVIEWED

F. W. Field, Senior Trade Commissioner to Canada, Addresses Importer Body at Toronto

Trade benefits arising from the Ottawa Conference Agreement between Canada and the United Kingdom were discussed last week before the British Agents' Association in Toronto by F. W. Field, C.M.G., British Government Senior Trade Commissioner in Canada.

Reviewing the history of the Ottawa Conference and the trade movements that have resulted therefrom, Mr. Field, who was one of the U. K. experts at the conference, said that in certain types of chemicals the United Kingdom had made headway in the Dominion under the Ottawa Conference agreement and many other trades had benefitted, although it would appear that certain unfavorable wrinkles were still to be ironed out. This had already been done in certain important instances in recent months.

Imports of Welsh tinplate, as a result of the agreement, had increased substantially during the past year and tinplate is now to be made in Canada by a well known British firm.

Shellac Trade Shifted

Canadian imports of shellac had been largely transferred from a foreign country to the United Kingdom. It was a relatively small trade but the anomaly of shellac produced in a British country, India, and marketed in Canada through a foreign country, had disappeared. Large quantities of British books have been sold in Canada and in many other ways British trade had increased. There was to be overcome however, said Mr. Field, a considerable amount of resistance to the rising tide of Empire trade on the part of certain foreign firms who had done business in Canada for a number of years.

Many of these firms were still loath to believe that the development of intra-Empire trade had come to stay.

Mr. Field pointed out that the value of the United Kingdom market for Canadian goods and spoke of the increasing quantities of Canadian tobacco, apples, lumber and other commodities that had found a market in the Old Country.

Describes Tariff Board

He described at some length the functions of the Tariff Board and its relation to the Finance and Customs Departments, and pointed out that the Minister of Finance is responsible for the framing of new tariff items and changes of existing items while the customs authorities are responsible for the administration of the Customs Tariff and for interpretation, as they see fit, of tariff items.

Mr. Fields pointed out that the only major case that had been heard of to date by the Tariff Board in its function as a tariff review body, was the woollen textile case and he was pleased to say that after going through the formal hearing, the United Kingdom woollen textile delegation had publicly expressed their view that they had received a very courteous, fair and in every sense satisfactory hearing.

The British Agents' Association at whose monthly meeting the address was given, has been in existence over 30 years, has branches both at Toronto and Montreal. Membership comprises agents of United Kingdom woollen, linen, silk and other textile manufacturers selling principally to the wholesale buyers and makers-up.

COST OF LIVING WAS UNCHANGED IN SEPTEMBER

Oshawa Shown With Cheapest Rents in Dominion

The national average for cost of living in Canada showed practically no change during September and at October 1 the cost of food for the average working man with a family of five remained at the September 1 figure of $7.24 per week. Fuel increased from $2.83 to $2.84 while rents declined from $5.67 to $5.66.

The figures, issued by Dominion Bureau of Statistics, show that on a basis of prices prevailing on October 1 the cost of food for the standard family was lowest in St. Johns, Que., where it amounted to $6.06 per week and highest in Victoria, B.C., where it was $8.40. A comparison of fuel costs in nine principal centres of Canada showed costs in Moncton, N.B., at $2.04 as the low point while Winnipeg, where costs were $3.05, represented the other extreme. Rents remained practically unchanged but rents in Halifax are highest at $7.25 per week and Oshawa, Ont., has the cheapest rent of $4 per week.

Complete comparable statistics are available for only nine cities of the Dominion. Comparison of the figures for these cities with the average figure for the Dominion, which is weighted by the large proportion of smaller municipalities, shows that while fuel costs in the larger centres are generally under the average cost for the Dominion, the cost of food and rent is higher than the Dominion average. Comparison of the figures for nine of the principal cities in Canada is as follows:

Cost of living per week of an average family for nine cities in Canada for October, 1933

	Food $	Fuel $	Rent $
Moncton	7.41	2.04	6.50
Montreal	7.15	2.68	6.00
Ottawa	7.20	2.99	5.13
Toronto	7.52	2.47	6.25
Hamilton	7.58	2.31	6.25
London	7.22	2.79	6.25
Windsor	7.25	2.35	6.25
Winnipeg	6.86	3.05	6.50
Vancouver	7.78	2.10	5.00
Dominion average	7.24	2.84	5.66

SALMON PACK GAIN FOR 1933 SEASON IN FINAL FIGURES

Large Increase in Run of Pinks Made Up for Sockeye Drop

Final report of British Columbia salmon pack in 1933 by the chief supervisor of fisheries shows a total pack of 1,247,471 cases (48 pounds each) as compared with 1,081,031 cases in 1932, 685,104 cases in 1931, 2,221,783 cases in 1930 and 1,400,750 cases in 1929. Chief element in the fluctuations of totals of pack in each year has been the pack of pinks which ran 524,369 cases in 1933, 223,716 cases in 1932, 206,915 cases in 1931, 1,111,937 cases in 1930 and 477,969 cases in 1929.

Sockeye pack at 255,726 cases was the lowest in five years, comparing with 284,355 cases in 1932, 291,464 cases in 1931, 477,678 cases in 1930 and 281,306 cases in 1929.

Springs were 19,662 cases compared with 76,060 cases in 1932; steelheads were 1,356 cases against 1,126 cases in 1932; bluebacks were 21,785 cases compared with 28,505 cases in 1932; cohoe were 133,933 cases compared with 160,466 cases; and chums were 290,640 cases as against 306,761 cases in 1932.

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Power is the giant key with which Canada's mines unlock the treasure-house of our mineral wealth. The provision of hydro-electric power alone has made possible the rapid, uninterrupted development of the mining fields of Northern Ontario and Northwestern Quebec. Canada Northern Power Corporation, Limited, has consistently anticipated the needs of these fields and has matched their progress by the extension of facilities which today represent a capital investment of $33,000,000.

The power system by which, through its subsidiaries, Canada Northern Power serves twenty-one communities and the principal mines in an area which produces over 80% of Canada's gold, had its beginnings back in the old Cobalt days. Its 800-mile transmission line network, its nine hydro-electric plants and nineteen sub-stations are concrete evidence of the courage and initiative of this Corporation through the years. It has brought to Canada's great gold, silver and copper producers the steady, low-cost power needed to make operation profitable and establish settled, prosperous communities.

Canada Northern Power Corporation, through its various power developments, has done more than any other single factor in promoting the development of the mining industry of Northern Ontario and Quebec, and in making possible the position which Canada holds today of being the second largest gold-producing country in the world.

Cobalt, South Lorrain, Gowganda, Porcupine, Kirkland Lake, Rouyn . . . and now a 32-mile extension to Cadillac Township in the Province of Quebec . . . are milestones marking this Corporation's identification with the mineral development of the North Country.

GROSS EARNINGS
1928 . . . $3,088,529
1929 . . . 3,116,597
1930 . . . 3,181,504
1931 . . . 3,341,964
1932 . . . 3,456,772

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Utilities and Transportation

CANADIAN HYDRO INCOME ADVANCES IN THIRD QUARTER

Dividend on First Preferred Shares Covered by Good Margin

From Our Own Correspondent

MONTREAL — Canadian Hydro Electric Corp. consolidated income statement for the third quarter of 1933 shows an increase in earnings available for dividends compared with the same period a year ago.

The improved showing is due to a variety of causes: increased gross earnings; smaller loss on exchange; smaller interest charges, etc. Earnings on the first preferred stock of Canadian Hydro during the quarter amounted to $4.70 a share, as against $4.10 a share in the third quarter of 1932.

Show Larger Surplus

Comparative income statements for the third quarter of 1933 and 1932 follow:

Quarter Ended September 30	1933 $	1932 $
Operating	2,380,483	2,338,622
Loss on exchange	29,435	50,977
Profit on bonds and debent. red.	......	500
Total revenue	2,351,048	2,288,145
Net	1,996,301	1,933,246
Int., amort. of disc., & pref. div. of sub.	1,247,786	1,261,486
Deprec. and amort. storage works	163,045	149,414
Balance	585,470	522,346

Exchange Loss Heavy

The showing for the 12 months ended September 30, 1933 was not as good as in the preceding year owing to the fact that since July 1, 1932, there has been a heavy premium to pay on the purchase of U. S. bonds. Thus during the year ended September 30, 1932, the company had a profit on exchange of $317,754, while for the succeeding 12 months, there was a loss of $247,611. This was offset to some extent by a larger profit on bonds and debentures redeemed—from $107,923 to $265,087.

For the year ended last September, earnings on Canadian Hydro's first preferred amounted to $19.60 a share compared with a little better than $22 a share in the previous year.

Details of the income statement for the 12 months ended September 30, 1933 and 1932 follow:

Twelve Months Ended September 30	1933 $	1932 $
Operating	9,547,382	9,530,504
Profit on exchange	......	317,754
Loss on exchange	247,611	......
Profit on bonds and debent. red.	265,087	107,923
Total revenue	9,564,858	9,956,181
Net	8,101,006	8,444,193
Int., amort. of disc., & pref. div. of sub.	5,001,870	5,065,879
Deprec. and amort. storage works	648,417	592,776
Balance	2,450,719	2,785,538

Since July 1, 1932, there has been a loss on exchange due to necessity of purchasing at a premium a portion of the United States funds required for payment of interest and sinking funds.

SARNIA S.S. BUYS MATTHEWS BOATS

Each $1,000 Matthews Bond Gets $700 New Bonds, 7 Shares Stock

Holders of Matthews Steamship Co. six per cent bonds, due 1942, last week unanimously approved Sarnia Steamships' proposal to purchase the assets pledged under the trust deed, consisting chiefly of 13 ships. The sale is expected to be completed about Jan. 15, 1934.

Under the Sarnia Steamships offer, a new company will be incorporated with the following capitalization:

New Company's Capitalization	$
6%, 5-year, first lien bonds	275,000
6%, 20-year, first mortgage bonds	*1,190,000
6%, 10-year, unsecured notes	100,000
Common stock	30,000 shs.

*Interest payable semi-annually in lawful money of Canada. Sinking fund of $50,000 annually to start in five years.

The first lien bonds will be sold to cover receivers' certificates and sundry costs of receivership now outstanding as a prior charge. The $100,000 of ten-year notes will be disposed of to provide working capital. Sarnia Steamships undertakes to see that both of these are done.

What Bondholders Get

In exchange for their present holdings of $1,700,000 Matthews Steamships first mortgage bonds, holders will get the $1,190,000 in bonds of new company and 11,900 shares of common stock. This represents a reduction of the funded debt by 30 per cent. It means that for each $1,000 bond in the Matthews Steamship Co. holders will get $700 in bonds and seven shares of common stock. The new bonds will be a first mortgage on 10 ships and a second charge on the "Matthewton," "Royalton" and "Berryton," on which the $275,000 of five-year bonds will be the prior charge.

An offer to purchase by Norris Grain Co. was turned down in favor of the Sarnia Steamships offer.

Brazilian Revenue Affected By Gold Clause Abrogation

Officials Hope Presidential Decree Will be Followed by Rate Adjustments—Otherwise Rate Reductions Entailed Would be Unthinkable and Impossible

Ultimate effect on fortunes of Brazilian Traction Light & Power Co. of the decree of President Jetullio Vargas abolishing the right of public service companies to base their rates on gold cannot be known until the company secures from the Brazilian Government, state departments or municipal administrations adjustments to counter-balance the effects of this decree.

Brazilian Traction is probably the most important public utility in Brazil, and its shares are held widely in Canada, Great Britain, Belgium, the United States and some in France. It is unbelievable to important shareholders that the Brazilian Government's action would be confiscatory in its working out, when affecting nations of so many important countries with which Brazil has important trade and financial relations. It is hoped that details of adjustment of rates of various subsidiaries of Brazilian Traction Light & Power Co. will show that the new rates as expressed in Brazilian currency will make up for the apparent cancelling of an important privilege.

Old Par 54 Cents

The old par value of the Brazilian milreis was 54 cents, and payment in gold was on the basis of that old almost forgotten parity. The idea was to make the rates stable as to gold and they were adjusted by the companies on the gold basis. The milreis dropped and dropped until at last it was stabilized for a time at 11.96 cents. Then it resumed the decline during the depression to about 6 cents and recently has been around the nominal figure of 8.5 cents per milreis.

It will be seen that no company could function if charging on the basis of 50 cents and then reduced to paper milreis worth only 8½ cents. It is true that only a part of the company's business was so charged and the total amount has never been divulged by the company though a brokerage analysis some years ago guessed the proportion at 50 per cent of the total. It is substantial in any case. Officials are hopeful that the needed adjustments will take place but before the event will not hazard an opinion.

Necessary National Adjustment

The action taken by the president of Brazil is not regarded as unreasonable from the national viewpoint because Brazil shipped out all its gold some time ago and is dealing in a world where some of the most important nations have gone off gold. It is important to note that all bills for service under this gold clause were made out at the par value of gold and not at the present market value of gold around $32 an ounce. The action, it is hoped, is simply one of insisting on validity of Brazilian currency being recognized in all domestic transactions and that downward adjustments of rates are not intended.

STOCK PURCHASE OF C. N. ELECTRIC MEETS APPROVAL

Canadian National Takes Over Old Toronto Suburban Railway

From Our Own Correspondent

MONTREAL—Purchase of the outstanding 4½ debenture stock of the Canadian National Electric (old Toronto Suburban Railway) has been authorized by the board of directors of the Canadian National Railways. Last August S. J. Hungerford, on behalf of the Canadian National, put a proposal before the debenture holders whereby they would be paid off at the rate of 25 cents on the dollar, subject to the approval of the government. This proposal was accepted and steps will now be taken to arrange for the transfer of the outstanding £540,000.

Two years ago last July interest on the debentures was defaulted and in August 1931 a receiver was appointed to take over the property for the debenture holders. In July last a meeting was called to consider Mr. Hungerford's proposal but owing to a lack of quorum it had to be postponed until August 17.

Unable to Pay Way

Following the appointment of a receiver two years ago, a committee of debenture holders investigated affairs of the company and came to the conclusion that it could not be made to pay. Some of the debenture holders took the stand that the Canadian National Railways had a moral responsibility to make good on the debentures inasmuch as the road formed part of the system and the debentures appeared in the company's financial statement.

Both the trustee and the committee acting for the debenture holders were not altogether confident on the legal soundness of their position. At the same time the amount offered by the Canadian National Railways was regarded as being more than could be realized by liquidating the assets. The trustee strongly recommended acceptance of the offer and this decision was supported by the committee.

Public Utility Earnings

October:	1933	1932	%
Barcelona Traction			
	Pesetas	Pesetas*	Inc.
Gross earnings	9,179,078	9,136,729	0.46
Oper. expenses	3,475,176	3,184,641	912
Net earnings	5,703,902	5,952,088	*4.17
Ten Months End. Oct. 31:			
Gross earnings	92,694,157	90,790,499	2.10
Oper. expenses	32,359,265	30,736,219	8.54
Net earnings	60,334,892	60,054,280	0.47

*Decrease.

B. C. Electric Co. New Gas Plant Operates Soon

From Our Own Correspondent

VANCOUVER—B. C. Electric Railway Company's new gas plant here, which will increase gas and coke production by 50 per cent, is now completed and will be in operation this month.

The project is significant in the light of present conditions in British Columbia inasmuch as a yearly coal consumption of British Columbia coal totalling 70,000 tons will be boosted by a further 30,000 tons to a grand total of 100,000 tons, thus giving more work to B. C. labor.

The original installation of twenty-four coke ovens with a production capacity of 3,000,000 cubic feet of gas daily will be increased by the operation of the unit to 4,500,000 cubic feet daily and a yearly output of about 50,000 tons of high-grade coke. In addition to twelve new ovens, a new exhauster, condensors, extension to the naphthalene washer, tar extractors and purifiers have been added. The new capacity of the plant will be 1,500,000 cubic feet of gas daily.

SOUTHERN CANADA INCOME FOR 1933 REGISTERS DROP

Share Earnings Decline by 14 Cents — Reduce Liabilities

From Our Own Correspondent

MONTREAL — Common share earnings of Southern Canada Power Co. for the fiscal year ended September 30, 1933, totalled 80 cents a share compared with 94 cents a share in the preceding year.

Reduction of 14 cents a share in earnings reflects the smaller return on power sales over the past twelve months, as well as a contraction in merchandise sales and miscellaneous revenue. The latter represents income from subsidiaries and investments, revenue from which amounted to $161,214 in 1933 compared with $224,713 in 1932.

Write Down Investments

Income account shows $1,381,168 available for depreciation and dividends on capital stock. This compares with $1,479,226 in 1932. The amount set aside for depreciation reserve is $11,000 lower at $211,470. Contrary to usual custom this sum was not set up in its entirety against plant account, $207,321 having been used to write down the value of investments in associated companies.

Comparative figures on the income account for the past three years follow:

—Year Ended September 30—	1933 $	1932 $	1931 $
Gross Rev.	2,114,720	2,224,444	2,355,111
Expenses	781,432	822,230	918,038
Net earn.	1,333,288	1,402,214	1,437,073
Deprec.	211,470	222,445	235,510
Bond. Int.	374,600	374,638	360,149
Bad debts	2,115	2,225	2,350
Net	745,103	802,906	839,064
Pref. divs.	425,334	425,302	402,988
Com. divs.	393,387	388,784	388,784
Surplus	*73,618	*11,180	47,292
Prev. Surp.	424,595	453,875	419,283
P. & L. Bal.	350,977	442,695	466,575

* Deficit.

Reduce Funded Debt

Examination of the balance sheet reveals a number of interesting changes over the past twelve months. Book value of assets is down nearly $400,000 to $25,526,366. Among liabilities funded debt shows a reduction from $6,787,527 to $6,712,810. The decline applies solely to underlying funded debt, outstanding change in which is the redemption of the balance of the St. John Electric 6's amounting to $54,000.

Bank advances of $214,497, appearing in the 1932 report, have been liquidated. Other current liabilities do not show any material change.

No change has taken place in outstanding capital. As at the date of the report $81,023 was still owing by employees on common stock subscriptions, but this obligation has sine been cleared up, making the 400,000 shares of common stock issued fully paid up.

Among assets, plant account shows a moderate increase to $21,058,561.

Change in Investments

Investments in and advances to associated companies have dropped from $1,275,364 to $1,075,933 at the end of September last.

"Other investments" register a further shrinkage in value. At the end of September, 1932, this account stood at $2,608,568 with a market value $1,011,874 less than that shown on the books. At the close of September, 1933, the book value of other investments was $2,549,248 and the market value $1,169,195 under that figure.

Changes among current assets are unimportant.

Comments on Operations

In commenting upon last year's results J. B. Woodyatt, president, had the following to say, in part:

"Industrial activity has been well maintained during the period under review. When conditions improve, several prospective manufacturing clients intend to erect branch factories in company territory. Your industrial department is a very active member of the organization, and is constantly in touch with desirable prospects, supplying them with data pertaining to the many advantages for low cost production available throughout the area served by your company.

"In line with the policy of reducing rates where circumstances warrant, your company during the year made a further reduction for domestic service from 3c. to 2½c. per kilowatt hour."

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Claim Tolls Would Divert Traffic from Home Routes

Presenting Case Against Imposition of Canal Tolls, Blow to Canadian Channels is Seen

The Financial Post has taken a stand in favor of imposition of tolls on Canadian canals, in order that those who benefit from the use of the canals should contribute all or a portion of the cost of their maintenance and operation, now entirely borne by the taxpayers at large. The case for such a policy has been published.

There are many who oppose The Financial Post's suggestion. It is not desired that their views should be excluded from The Post's columns as what is sought finally is the policy that is best for the country at large.

Three articles have now been written to present the viewpoint of those who oppose canal tolls. The second appears below. In publishing these articles The Post does not necessarily endorse any or all of the views expressed in them.

Difficulties facing the Dominion Government in securing additional income to cover unprecedented expenses, and the tentative proposal of the United States administration to impose a "tonnage tax upon shipments making use of all river and harbor projects undertaken by the Government henceforth." have been cited by those who advocate a toll on traffic to make the canals self-supporting. Another contributing factor is that the railways now have no embarrassing autumn traffic peak to strain their facilities to the limit.

The statement attributed to the Roosevelt Administration has been interpreted broadly by proponents of canal tolls as meaning that the United States favors a toll on traffic using canals. Shippers declare that this is not the case. They point out that there is no reference to tolls in the statement. What the United States administration has in mind, they feel, is a wider source of revenue—an annual inland water tonnage tax on vessels. It is a matter of domestic interest and has no direct bearing on the flow of traffic through the Great Lakes-St. Lawrence waterway.

Need of Revenue Causes Toll Discussion

Reopening of the question of tolls is primarily due to the Government's financial straits which make it desirable that the canals, as well as other Federal services, be self-sustaining if such a step be in the interest of the taxpayer. The predicament of the railways and the proposal of the United States administration are only contributary and not basic causes for the proposal to place a toll on canal traffic.

Canal toll advocates have several arguments favoring their claim that the canal system should be self-supporting. The main argument is the great need of the Federal Government for revenue. This is not denied; on the other hand, canal tolls, in Canada at least, are not a suitable type of revenue. They act as a direct brake on water-borne traffic and increase the cost of shipping Canada's main exportable commodities to world markets. And, secondly, tolls would only divert traffic to United States railroads at Buffalo, etc., and thus defeat their purpose as a revenue source.

Divert Traffic Into Other Channels

There are three principal links in the St. Lawrence-Great Lakes canal system—the Soo, Welland and the St. Lawrence. The Soo also is served by a canal on the American side. Obviously a shipper would not pay a toll on the Canadian Soo if he could use the American Soo free of charge. An exporter of grain, for example, would route all shipments possible through the American Soo to Buffalo, rather than to a Canadian port if he has to pay a toll through the Welland and St. Lawrence canals. Diversion of traffic through Buffalo would seriously affect the prosperity of such ports as Kingston, Prescott, Montreal, Sorel, Quebec, etc., upon which the Government has spent many millions of dollars. Further it would adversely influence business conditions at those points.

No matter how fair a toll may be, as long as an alternative water route exists, the shipper will not pay the charge. Especially is this so in the case of grain; a minute increase in shipping costs precludes successful marketing.

There is the further point of discrimination in canal tolls. Would a shipper located at Windsor and marketing his product in Quebec have to pay two toll charges, while a shipper located at Kingston and marketing in the same area, pay only one? This is typical of many problems that would arise, and indicates that the imposition of a toll is not simply a case of making a blanket charge.

Why Other Canals Charge Tolls

One argument advanced is that tolls are charged on the Panama, Suez and Manchester canals without handicapping shipping. This appears logical and reasonable were it not for the fact that the canals cited have all year round operations, while those of Canada have only seven months with technical considerations preventing shipping on the latter using other routes in the interim. The St. Lawrence system canals are not connective canals joining two river basins, or making a short cut through an isthmus. As already pointed out, there are "lateral" canals to overcome obstacles on a free waterway which has always existed. Further the Manchester and Suez canals are the result of private initiative and capital. In neither cases were governments called upon to render financial assistance.

Free Canals No Handicap to Inland Points

It is also said by toll advocates that free waterways are an unfair handicap to inland industries, inasmuch as water is the cheapest of all forms of transport. This is incorrect since some of the most thriving industrial centres in Canada are those situated inland, such as Kitchener, Brantford, London, etc. Industries depend primarily on railways for transport because these alone offer all-year round facilities.

Numerous other products could be cited to show how manufacturers take advantage of water-borne shipping in order to put their products into the hands of inland consumers at a minimum cost. These consumers, in all parts of the country, receive the benefit of a free waterway. If tolls are charged, the additional cost is passed on to the consumer.

Aid to Wheat Grower Helps All Sections

It is said that the money spent by the Government on maintenance of canals really constitutes a subsidy to the Prairie grain grower. In one sense this is true if one disregards countless other benefits received from a free waterway which costs the country at large not more than $14,000,000 annually.

Wheat is the principal product handled by shippers on the St. Lawrence-Great Lakes waterway. There is no need to stress the importance of this commodity in the national welfare of the country. It is vitally necessary that no obstacles should handicap marketing. The well-being of the three Western provinces primarily depends upon successful marketing of grain. Though other provinces are not directly concerned, their prosperity depends in no small measure upon wheat. Manufacturers in the East would have their market severely limited if the West were unable to market its crop. Harbors like Montreal, Quebec, Sorel, Three Rivers, Kingston, Prescott, Port McNicoll, Sault Ste. Marie, Toronto, Saint John and Halifax, would be hard hit if the Western grain growers were handicapped in their marketing operations by higher transportation costs.

"Cut Off Nose to Spite Face"

Toll proponents introduce two rather minor arguments in support of their claims. They say that in 1932 some 90,000 tons of Scandinavian pulpwood were handled through the St. Lawrence and Great Lakes to the United States. This pulpwood competed with the Canadian product, it is said, and was subsidized to the extent that it was handled through free canals which are maintained by the Canadian Government.

This is true. But should Canada impose a toll that would penalize its own shippers of domestic pulpwood and ships without any compensating advantages to either? During 1932 over 800,000 tons of Canadian forest products moved through the canals, or nearly 10 times as much as the foreign pulpwood handled. Since there is no legal possibility of imposing discriminatory tolls on the canals—this was established by the Washington treaty of 1871 in perpetuity—a toll would only penalize Canadian pulpwood shippers and ships in order to make foreign pulpwood shippers pay a higher rate. This is bad business. At the same time those who use pulpwood shipments as an example of the need of a toll, fail to point out that in other years this business went via the United States Atlantic seaboard. Now it is handled by the St. Lawrence-Great Lakes waterway to the advantage of Canadian shipping.

Another argument of about the same calibre has to do with shipments of United States coal to Canada. Canal tolls would do nothing to lessen these imports — certainly rail shipments would not be impeded. The ship owner would not suffer as his rates would still be far below the rail cost. But the Canadian domestic or industrial consumer would suffer, for the additional cost would be added to his purchase price.

This is the second of a series of three articles dealing with tolls on traffic in order to make the canals self-sustaining. In previous issues The Financial Post has published a number of articles which tend to support the argument. In these articles the views of the shippers and others interested in canal traffic are presented.

CANADA NORTHERN CUTS RATE SCHEDULE

Reduction in Commercial Charges Saves Users 30 Per Cent

From Our Own Correspondent

MONTREAL — Canada Northern Power Corp. announces a reduction in commercial rates beginning with the New Year. This is in line with the company's policy of making adjustments in the rate schedule from time to time as increased business permitted. This is the first change made in the rates since July, 1930.

The new reduction applies to commercial customers and will be known as the "optional commercial rate." This will be at the rate of 4 cents net per kilowatt hour, plus a fixed charge of $1.50 a month, This means a saving to the company's commercial customers of 30 per cent.

Mining Activity Helps

Over the past three years Canada Northern's output and revenues have steadily increased. This has been largely a reflection of the greater activity in the Northern Ontario and Northern Quebec mining areas. Gold operations have expanded to record proportions, so that the demand for power has been the greatest in the company's history.

The improvement in operations and income has been such that for the last quarter of 1933 the directors were able to declare a bonus of 10 cents a share on the common stock, making a total distribution of 90 cents a share for the full year.

Power Corp. Group Energy Output Up

From Our Own Correspondent

MONTREAL—Subsidiary and associated companies of Power Corp. of Canada report an increase of 3.3 per cent in power output during October last compared with the same month in 1932. The total kilowatt hours produced amounted to 147,411,728. This compares with 142,607,110 for October last year.

Examination of the individual returns, listed below, shows that Manitoba Power and Northwestern Power experienced heavy declines in production, but the gains for the other producers, especially Winnipeg Electric, were sufficient to offset the losses.

	October 1933	October 1932
Southern Canada	14,877,020	14,361,600
Canada Northern	42,194,110	38,353,450
East Kootenay	5,840,828	5,330,920
B. C. Power	39,226,810	39,203,400
Northern B. C.	947,360	743,340
Winnipeg Electric	27,667,000	15,895,200
Manitoba Power	16,485,000	28,112,000
Northwest. Power	173,600	607,200
Total	147,411,728	142,607,110

B. C. Power Cut Dividend to $1.50 on Class A Stock

From Our Own Correspondent

MONTREAL—Reduction by British Columbia Power Corp. of its Class A stock dividend from $2 to $1.50 a share per annum is in line with forecasts made in the columns of The Financial Post for some time past.

For the year ended June 30 last the company was able to show only $1,537,148 to meet dividend needs of $2,000,000. This necessitated dipping into the earned surplus account to the extent of $462,852. Since that time income has not shown any appreciable increase, so that a maintenance of dividends on the old basis would have unduly affected the cash position of the company.

The reduction of the dividend by 25 per cent will mean a saving to the company of half a million dollars yearly.

Attractive Investments

Copy gladly furnished upon request.

Our December Bond List and Review offers a wide range of Canadian Government, Municipal and Corporation Bonds at current prices.

The Review discusses major world events that have influenced financial markets including the Canadian Bond Market. A chart showing the fluctuations in the value of the Canadian dollar in New York from 1919 to 1933 accompanies the Review.

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News of Investment Markets

REFUNDING TALK WESTERN BONDS WEAKENS MART

Gilt-edged Issues and Corporation Bonds Firmer

Further recovery in gilt-edged Dominion and eastern provincial issues, and continuation of the decline of western provincial bonds, featured Canadian bond dealings in the week ended Dec. 5. The United States exchange rate was a prime factor in the gilt-edged market, and to refunding proposals emanating from British Columbia is assigned the chief responsibility for weakness of western provincials. Corporation bonds were firmer.

Losses of fractions to a full point were recorded by bonds of the four western provinces in the week. And between Nov. 13 and Dec. 4 the net losses ran up to more than five points as is shown below:

Declines in Bid Prices for Western Bonds

			Bid Dec. 4	Bid Nov. 27	Bid Nov. 13	Change Since Nov. 21
*Alta.	4½'s	'56	82½	83½	87½	—5
Alta.	6's	'47	97½	99½	102¾	—5¼
*B. C.	4½'s	'53	84	84	87½	—3½
B. C.	6's	'47	96	97	101¼	—5¼
*Man.	5's	'59	88	89	92	—4
Man.	6's	'47	96	98	101	—5
*Sask.	5's	'59	87½	88	89¾	—2¼
Sask.	6's	'52	95½	97	100	—4½

*Payable in Canada and the United States.

The prices on Nov. 13 do not represent the highest point in recent months. It is conceded that the position of some of the western provinces is not all it might be. All have substantial unfunded debt, and have been depending on the Dominion for assistance.

Advances in gilt-edged bonds were small. The resultant decline in yields, and comparative stability is shown below:

Average Yield on Seven High-grade Canadian Bonds

Dec. 5	4.553	Nov. 28	4.580
Dec. 4	4.554	Nov. 22	4.666
Dec. 2	4.551	Nov. 15	4.441
Dec. 1	4.557	Nov. 8	4.417
Nov. 30	4.557	Oct. 31	4.420
Nov. 29	4.564	Sept. 30	4.459

The moderate recovery still leaves prices well below the levels at the end of early November. The slight easing of the premium on the Canadian dollar in New York is understood to have lightened selling pressure from American investors. At the same time, however, the strengthening of protests against currency depreciation in the United States appears to have caused a hesitation in the outward flight of American capital. This means that a smaller proportion of American money is seeking investment in Canadian government bonds than in late October and early November.

Corporation Bonds

Among corporation bonds, public utility issues recorded mostly fractional changes, but gains were slightly in the majority. Real estate issues were inclined to strengthen. Metropolitan Building 7's of 1944 were better than 83 bid, up about three points. Albert Bay 6½'s of 1942, among lower priced issues, advanced seven points to 47.

The general corporation list showed a prevalence of gains, but the market was inactive. Among the larger advances, Canadian Vickers 6's of 1947 were up two points on the bid side to 46. Federal Grain 6's of 1949 were three points higher at 68, and Simpson's 5½'s of 1949 were up the same amount to 73.

Granite Club Earns Interest 1.67 Times

Net revenue of Granite Club Ltd., Toronto, dropped to $40,501 in the year ended October 31, 1933, as compared with $51,705 in the preceding year but was sufficient to cover bond interest charges of $24,522 1.67 times, provide $12,000 for depreciation and $3,306 for contingency reserve. In 1932 $25,510 was provided for depreciation. During the past year $11,500 of first mortgage bonds has been redeemed leaving $230,000 outstanding while $20,000 of second mortgage bonds matured and were retired leaving $126,000 outstanding.

Fixed assets remain at $1,087,121 exclusive of Church St. property, carried at $4,827, which is now self-supporting. Entrance fees of $9,000 compare with $4,800 in 1932 and were more than sufficient to cover costs of maintenance, repairs, replacements and additions amounting to $6,975. Reserve was increased to $43,812. Capital stock remained unchanged at $448,010.

Liquid assets are down to $21,999 from $31,797 while current liabilities are down to $10,354 from $10,875.

Over $17,000,000 Lost in Detroit Tunnel Finance

Total losses on financing of the Detroit-Canada tunnel are estimated at over $17,000,000. Promoters' profits amounting to about $1,000,000, were realized in the Chase Securities Corp. financing of the Detroit-Canada tunnel in 1928, it was recently revealed to the U. S. senate subcommittee on banking and currency. This profit and some $1,000,000 more was lost later in trading in the tunnel securities, bankers testified. Investors lost over $15,000,000 in the project, it is estimated.

The tunnel was capitalized with $8,500,000 of bonds, $8,500,000 of debentures, and 3,100,000 shares of common stock. The share equity is understood to have represented much of the real estate and financing profits of the Chase syndicate which were later lost. The bonds are now quoted at six to seven per cent of par and the debentures at about two per cent. The stock has no market.

Bond Tenders

8 p.m., Dec. 19, Sainte Agathe des Monts, P.Q.—$35,000, 5½ per cent bonds dated Nov. 1, 1933, redeemable serially from Nov. 1, 1934, to Nov. 1, 1963; payable at Provincial Bank at Montreal or Sainte Agathe des Monts. Object of loan: floating debts and improvements to electric system. Rodolphe Darze, sec.treas.

10 a.m., Dec. 15, Township of Toronto.—$18,849, 6 per cent 30-yr. bonds for water installation. J. H. Pinchin, clerk, Cooksville. (See announcement on page 10.)

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Stand. Clay	*6%	1942	Dec. 12	..

*Tenders requested for $23,319 by National Trust Co.

Stock Exchange Merger Receives Due Approval

Toronto Members Unanimous — Standard's Preliminary Vote Also Unanimous — Listed Stocks on New Exchange Total $3,615,175,855

Action taken by members of the Toronto Stock Exchange and Standard Stock & Mining Exchange at concurrent meetings on Dec. 5 make it now certain that on January 2 next the transactions of both exchanges will be taking place under the aegis of one exchange to be known hereafter as The Toronto Stock Exchange. Unanimous approval of merger was give by Toronto members and on December 12 similar approval can be expected at a special general meeting of Standard members because on December 5 unanimous approval was given to a by-law authorizing the directors to apply to the Ontario Government for supplementary letters patent permitting the exchange to distribute its assets. Toronto Stock Exchange under its charter needs no such amendment.

Largest Outside New York

The legal technicalities referred to are expected to be cleared away by December 12 when Standard members will give their final vote which is expected to be unanimous. As stated in The Financial Post a few weeks ago, the new exchange will be the largest on the North American continent outside of New York City. Securities listed on it will have an aggregate par valuation of $3,615,175,855 drawn as follows from the two exchanges: Toronto, 161,217,983 shares with par valuation of $2,572,389,605; and Standard, 457,550,000 shares with total par valuation of $1,042,786,250. This makes 618,767,983 shares altogether, which will be listed on the new exchange when it opens for business on the 2nd day of January. This is half the number of shares listed in New York, but total listings in New York have a par valuation exceeding thirty billion dollars.

Management Committee Governs

As previously stated by The Financial Post, a management committee will be in charge of the affairs of the merged exchanges until the first annual meeting in the third week of June, 1935. Presidents of the two exchanges, Harold Franks, Toronto, and G. W. Nicholson, Standard, and chief officers of both exchanges form this committee, the chief officers being: Messrs. H. B. Housser, F. G. Lawson and E. Gordon Wills, of Toronto Stock Exchange; Messrs. F. C. Crawford, N. C. Urquhart and Hon. Manning Doherty of the Standard Stock and Mining Exchange.

Financial and other corporate details of the merger have yet to be worked out but it is believed that assets of the two exchanges will be distributed among the respective members in a bookkeeping sense and the amounts credited toward the purchase of a seat for each member on the new exchange. There will be a joint floor committee on each floor of the present exchanges and physical machinery of the new company will be exactly the same as for the present exchanges until better arrangements can be made.

NOVA SCOTIA COLD STORAGE PLAN ISSUED

Deal Holds Little Interest for Junior Security Holders

From Our Own Correspondent

MONTREAL. — Bondholders of Nova Scotia Public Cold Storage Terminals will meet on the 28th of this month to approve or disapprove of an agreement reached between their committee and the Halifax Harbour Commission, whereby the latter takes over the property and business in exchange for $1,700,000 of its own debentures.

In May 1932 the company failed to meet interest payments on its first mortgage bonds. It was stated at the time that negotiations were underway looking to a sale of the property and a committee of three was named to look after the bondholders' interests.

Offer Harbor Debentures

The original plans of the committee fell through, but continued negotiations resulted in the reaching of a new agreement. Under the present plan the Commission will pay to the trustee $1,700,000 of 3 per cent 5 year debentures in return for the property. These debentures are not guaranteed by the Dominion Government.

Working assets are retained by the company to clear off current liabilities. It is expected that there will be a surplus of about $20,000 after these charges have been paid.

Nothing for Common

At present Nova Scotia Public Cold Storage Terminals has outstanding $1,700,000 of 6% 1st mortgage bonds, which have been in arrears of interest since May 1932; $220,000 of 7 per cent preferred stock and 50,000 shares of no par value common stock.

If the sale to the Halifax Commission is approved, the bondholders will receive $100 of debentures for a similar amount of bonds now held in satisfaction of all claims, including arrears of interest. The surplus of working assets, amounting to $20,000, will be available for distribution to the preferred stock shareholders. Nothing remains for the common shareholders.

Alberta Tax Enquiry Board to Investigate All Taxation

Alberta has appointed a group of five men to be a taxation enquiry board that will investigate provincial, rural and urban taxation in the province. J. F. Percival, deputy provincial treasurer, has been named chairman, and other members are: W. D. Spence, John Gair and J. J. Duggan, members of the present Alberta assessment commission; and Hugh Baker, formerly with the Alberta government bureau in London.

Appointment of the members of the assessment board to the enquiry board means that representatives of both urban and rural interests will have a voice in the investigation. Dr. H. M. Tory, formerly president of the University of Alberta, headed the first Alberta tax enquiry board. His report was brought up to date last year. The present enquiry is expected to further extend the investigations started under Dr. Tory.

German Reichsbank Retires Issue of Notes

The German Reichsbank has called up the Reichsbank-Notes of a denomination of 10 reichsmarks, bearing the date of issue of Oct. 11, 1924. These notes cease to be legal tender in Germany after Jan. 31, 1934.

Owners of these bank notes can present them in payment, or in exchange for legal tender, at all branches of the Reichsbank until Feb. 28, 1934. After this date the called-up notes become invalid and the obligation of the Reichsbank to redeem them, ceases.

Metal Prices

New York—December 5—

Copper: Electrolytic spot, 8c. lb.
Silver: 43⅝c.

London—December 5—
(Long Ton)—

Copper: Electrolytic spot, £33; future, £33 10s.
Standard spot, £30 2s 6d; future, £30 5s.
Tin: Spot, £227 7s 6d; future, £227 10s.
Lead: Spot, £11 12s 6d; future, £11 17s 6d.
Zinc: Spot, £14 15s; future, £15 2s 6d.
Silver: 18 9/16d per ounce.
Gold: 125s 6d.

Canada—December 5—

Gold: $31.70.

N. York Defaults Dec. 1 Principal

Township of North York, Ont., immediately north of Toronto, defaulted principal payment due on debentures on Dec. 1. This came as a surprise to some close observers of municipal finance. Interest was paid.

The township has a population of slightly over 13,000, and at Dec. 31, 1932, had gross debenture debt outstanding of $3,063,129. As a result of this default, Toronto is now practically surrounded with financially embarrassed municipalities. These include the townships of York, East York, North York, Etobicoke and Scarborough, the towns of Mimico and New Toronto, and the village of Long Branch.

Niagara Falls Defaulted Dec. 1 Principal Due

City of Niagara Falls, Ont., defaulted payment of principal of maturing debentures on Dec. 1. The city has a population of 19,000 and at Dec. 31, 1932, the funded debt was $3,364,000.

The city, it is understood, wishes to avoid appointment of supervisors. Some of the debenture holders are understood to be considering whether in this case it would not be sufficient to allow the city's bankers to supervise its finances. No decision to allow this has been made, however. Financial control of this type is already being exercised in the township of Etobicoke, Ont., it is understood.

A few weeks ago Niagara Falls approached bondholders with a suggestion that payment of only 25 per cent of maturing principal be accepted on Dec. 1. It is understood, however, that a payment of this kind would only have been possible with the co-operation of the city's bankers. And it is considered doubtful whether loans would have been extended to allow the city to pay even the 25 per cent. The present position is that this payment is still believed to be unlikely because bankers do not consider it advisable.

Cockshutt Plow Aided by English Affiliation

From Our Own Correspondent

MONTREAL.—Reciprocal arrangements entered into some time ago between R. A. Lister, of Dursley, Eng., and Cockshutt Plow Co., have been attended with considerable success, according to Col. Henry Cockshutt, president of the latter company. It has resulted in Cockshutt buying and distributing a substantial number of cream separators, etc., produced by Listers, and in return providing Cockshutt with a substantial amount of export agricultural implement business, principally plows.

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Investment Notes

Significant Investors' Index Numbers

1926 — 100

No. of Securities:	Iron and steel 19	Pulp and paper 8	Milling 5	Oils 4	Textiles and clothing 9	Food and allied products 19	Beverages 8	Total industrials 93	Total utilities 19	Total co's. 118
1929-32:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January	49.5	3.3	41.1	93.6	36.8	82.9	34.0	59.6	44.6	50.8
February	44.4	3.6	39.7	86.5	33.6	80.2	31.6	56.3	38.6	46.6
March	44.8	2.3	37.8	86.7	32.2	78.6	36.0	57.3	38.2	46.6
April	48.6	2.7	44.3	98.1	31.2	85.3	37.8	67.5	38.5	52.0
May	65.5	3.8	60.9	122.4	45.7	105.1	63.2	85.8	47.2	64.7
June	83.0	6.4	70.3	141.6	55.2	118.2	106.4	103.6	53.8	76.1
July	98.1	8.4	79.1	156.6	60.0	139.1	164.3	118.3	58.5	85.0
August	91.2	7.6	76.4	147.6	59.1	126.8	152.1	113.3	53.9	80.3
September	84.8	7.3	73.0	150.4	61.6	121.0	159.4	115.1	50.7	80.2
October	72.4	6.0	70.8	128.7	58.2	111.5	127.5	100.1	45.9	71.5
Weekly Figures:										
Nov. 2	66.0	.6	61.6	119.3	44.4	99.7	124.6	89.2	39.4	64.5
Nov. 9	67.8	.6	61.6	129.9	44.3	101.6	131.5	94.5	39.6	67.2
Nov. 16	67.0	.6	60.9	139.2	44.7	102.9	124.7	97.4	39.3	68.2
Nov. 23	68.0	.5	59.6	142.8	44.8	102.1	115.9	98.3	38.5	68.8
Nov. 30	67.9	.5	58.8	135.5	43.9	100.4	123.0	95.8	38.9	67.2

*High and low of 1929 and 1932 are based on weekly figures. In 1933 index numbers are given monthly for the first ten months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

CLARENDON Apartments Ltd. will pay no interest on bonds this year The Financial Post is informed. Management of the property is in the hands of the Royal Trust Co., trustee for the bondholders. J. A. Gordon, St. Catharines, Ont., is chairman of the protective committee.

Consumers' Gas Holds to Record

RUMORS of a possible dividend reduction were set at rest when directors of The Consumers' Gas Co. of Toronto declared on December 4 the usual dividend of 2½ per cent on the capital stock, which is at the rate of 10 per cent annually. It is understood that there is no likelihood of a reduction in the 10 per cent dividend rate, which has been paid without interruption since 1874, almost 60 years in spite of lower revenues.

In the year ended September 30, 1933, the company drew on reserve to the extent of $555,675 in order to maintain dividends and to provide the statutory amounts for plant and buildings renewal fund. As a consequence it has been rumored that, if revenues failed to gain in the current fiscal year, the company would be unable to continue the present dividend rate.

The company, however, has total reserves of $7,438,233 which can be used for dividends and plant renewals and the directors could, if desired, disburse the whole sum to the shareholders. The company has the statutory right to a rate which will give it $10 a share and it is therefore likely that higher rates for gas can hardly be avoided if the company does not obtain some relief from the ever-growing burden of taxation.

* * *

Walkerville Brewery U. S. Plans

MONTREAL Curb trading in stock of Walkerville Brewery, Ltd., turns not on the present trading profits of the company but on prospects for sale in the United States as well as the extended opportunities which will be given some brewery companies by the new legislation expected at the next session of the Ontario Legislature to make sale and distribution easier through hotels, restaurants and possibly retail outlets.

Actual earnings in 1933, like those of most companies in the industry, do not permit dividends. But the end of prohibition in the United States, enabling importers to bring in beer of more than 3.2 strength, is expected to give the company an important outlet for its ales. It is stated that there are no important manufacturers of sales in the United States. Walkerville Brewery officials state that during prohibition a taste for ale has been developed and that it is expected through channels of distribution already arranged by the company a widening market can be found. U. S. competition is not likely on a material scale, it is said, because it is not feasible to manufacture both beer and ale in the same brewery. Cross breeds in yeast develop under such conditions and affect quality of both beer and ale.

Within ten minutes of the company's plant there is a population in Detroit of 1,250,000 people and it is hoped by the company that the taste for strong ales of many residents of that city will be of benefit to Walkerville Brewery.

* * *

Canada Dry Sells Whisky

CANADA DRY GINGER ALE, INC., might almost change its name to be more inclusive as it has made important arrangements to distribute a number of well-known brands of United States and imported liquors, including brandy, whisky, wine and beer. The latest announcement is that it has completed arrangements with John Walker & Sons, Ltd., whisky distillers of Scotland, for exclusive distribution in the United States of "Johnnie Walker" whiskies.

The company must now be regarded by investors not only as a soft drink manufacturer but as one of the most important distributors of alcoholic beverages in the United States.

* * *

Ford Gets Australian Money

ONE of the most important factors in the recent dividend paid by Ford Co. of Canada, in addition to the improving prospects for business in 1934, is that it was able to transfer $6,000,000 in cash from its Australian subsidiary, putting its cash at a record high point.

Australia's strenuous housecleaning with reference to Federal and State budgets and internal debt rates have improved the situation sufficiently to permit of money long frozen there going in greater volume to various companies doing business in Australia. That is also a more cheerful augury for more business between the two countries by Ford and other companies.

Canadian Celanese Cut Down Arrears

From Our Own Correspondent

MONTREAL. — Directors of Canadian Celanese have ordered payment of a further 1½ per cent on the preferred dividend arrears, payment to be made at the end of the year. This in addition to the regular quarterly dividend. This action reduces the arrears of the preferred stock to 26¼ per cent per share.

It will be recalled that a short time ago the directors of the company offered a plan to the preferred shareholders, whereby for a small sum in cash and half a share of common stock the arrears would be wiped out. Opposition arose to this proposal and before the meeting the directors withdrew the plan.

New Executive Appointed to Life Saver Company

Merle Banker Bates has been appointed vice-president and general manager of the Life Savers and Beech Nut Sales Co., of Hamilton.

Mr. Bates was formerly sales and advertising manager of the American and Canadian Life Saver companies.

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Hudson-Essex of Canada Limited
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TORONTO, DECEMBER 9, 1933

PUTTING CANADA ON STERLING BASIS

IT IS rather significant that the Economist of London, England, is somewhat less than enthusiastic about the report of the Macmillan Commission.

The Economist points out that the Canadian banking system has been conspicuously successful in weathering the crisis and in particular provides a marked contrast to the United States with its system of linked federal reserve banks. Again, the present monetary system operated jointly by the treasury and the banks has been both adequate and sufficiently elastic for the Dominion's needs. Another point brought out by the Economist is that a central bank cannot function without a money market and Canada neither has a money market nor any immediate prospect of being able to develop one. Finally, the Economist points out that if the commercial banks lose the income which they derive from their note issues they will be forced to close down many of their unremunerative branches to the inconvenience of the public.

All these are offered as strong arguments against the establishment of a central bank but on the other hand the Economist declares that the foundation of such an institution would greatly facilitate Canadian monetary co-operation with London and other members of the Empire and the world at large. "The Canadian Government," the comment concludes "apparently gives a greater weight to these last arguments for it has decided to establish a central bank."

Thus, we begin to see really what this central bank controversy is all about. It isn't to improve the banking situation or the monetary management in Canada but rather its purpose is to tighten the financial bonds between Canada and London, in short to put Canada, for better or worse, on a sterling basis.

THE POST IS NOT AN ENGINEERING JOURNAL

WE REALLY must ask our good friends on the Saskatoon Star-Phoenix to read The Financial Post more carefully and to use discretion in bandying about the name of this paper. Just the other day the editor of that Western paper wrote:

> "If three vessels were to meet with mishaps in Hudson Bay in one season it is not difficult to imagine what the Ottawa Journal, the Montreal Gazette, The Financial Post and sundry other newspapers of Eastern Canada would say . . . . These newspapers have denounced the Hudson Bay route in unmeasured terms for many years. They have said it was too dangerous for use and that ships could not possibly navigate because of ice and fogs. If they are consistent they should have something similar to say about the St. Lawrence route, for in the last week or ten days three vessels have run aground in that river."

We have a pretty good idea of what has appeared in our own columns and we have just refreshed our memory by a careful search of our files and we cannot find that we have at any time criticized the Hudson Bay route on the ground that it was too dangerous for use or that ships could not possibly navigate it.

We have discussed the economic and political phases of the railway and expressed the opinion that the line is a contractors' racket with no commercial value sufficient to justify the expenditures made to date. But have not set ourselves up as judges of the navigational phases of the Hudson Bay route. The Star-Phoenix itself knows this. Didn't it say just about a year ago?:

> "Curiously, The Financial Post article does not refer to the sinking of the Bright Fan. It offers no comment on that; does not attempt to use it to discredit the new route . . . . Perhaps The Post is merely being discreet."

Not having declared that the sinking of the Bright Fan proved the Hudson Bay Railway to be a failure The Financial Post can hardly be expected to declare that accidents in the St. Lawrence prove the northern route to be an economic success.

SIXTY YEARS OF DIVIDENDS AT TEN PER CENT

CONSUMERS' GAS COMPANY has just declared another quarterly dividend and added a new anniversary. Recently it celebrated 85 years of unbroken dividend payments. Now it is starting its sixtieth year of consecutive dividend distributions at the rate of ten per cent.

By not reducing its dividend the company is showing its faith in the outlook for its business as the dividend has not been earned in the past three years and it has been paid by drawing on reserves set up for the purpose.

Consumers' Gas Company is permitted by an Ontario statute to pay ten per cent annually and no more. And its rate contract with the City of Toronto gives it power to charge rates that will sustain the ten per cent dividend. Happy relations between the utility and the city have always existed.

Those who have invested in the company do not earn ten per cent on their capital. For every $2 of capital, shareholders have paid $1 of premium into the company's treasury. Thus their average return is less than seven per cent. The shareholders never received huge dividends in boom years; now they get their reward in continuity of their income.

There would have been no public utility "probes" at Washington and no life in public ownership movements in Canada were all utilities run with the sense of public trust that marks the direction of Consumers' Gas affairs.

WEALTH REDISTRIBUTION BY TAXATION

AN ENGLISH economist speaks of "redistributive public finance" which is a most illuminating phrase, one pregnant with meaning. For it has long been apparent that in post-war taxation and public spending the fundamental influence that has been at work has been the effort of Governments to impose heavy taxation upon people of means in order to meet the cost of social services designed to raise the lot of the so-called underprivileged. To rail at rising costs of Government without appreciating that taxation has been deliberately used in nearly every country to effect a redistribution of wealth and to attain a measure of socialization of wealth is to overlook the most fundamental factor in the problem. That is why The Financial Post, in its analyses of governmental expenditures, has paid so much attention to showing not only how much expenditures have risen but where the additional money is being spent.

It would be quite impossible to make an accurate division of the taxes paid by the "poorer" sections of the population and those paid by the "richer" or to divide the benefits of public expenditure between the two classes. There is no clear line marking off one class from another; no definite means of identifying the benefits with the exact recipients. Calculations must be rough and ready but even so such calculations do point out the trend.

The British economist referred to Joseph Sykes, estimate that in the United Kingdom before the war the richer classes received 49 per cent of the benefits of public expenditure and the poorer classes 49 per cent. In the postwar period of 1921-1931 the proportions were just about reversed but the change is of little importance.

But when the taxation incidence is analyzed it is found that the richer classes, who paid 63 per cent of the taxes before the war, now pay 70 per cent and the poorer classes who paid 37 per cent now pay 30 per cent.

He takes the poorer classes to include wage earners whose total income does not exceed the highest level of wages paid.

Similar figures for Canada are not available but the trend in this country has likewise been to "soak the rich" and to make the Government to an increasing extent responsible for the welfare of every one.

Whether or not the redistribution of wealth by the tax route is socially or economically defensible is a broad question. The main thing is to understand that the process is in course of deliberate execution and that it makes the problem of sweeping tax reductions exceedingly difficult.

LOOKING TO MR. BENNETT

AN EDITORIAL in the London Times declares that for some time past the Canadian Prime Minister has been exercising the closest supervision over the working of the National Revenue Department. The Times also gives credit to Mr. Bennett for his direct interposition in the matter of the tax that the Department of National Revenue attempted to impose upon exporters doing business in Canada. It states that Mr. Bennett has shown his determination to make the Ottawa Agreement as effective in promoting British trade with Canada as it has already proved in promoting Canadian trade with Great Britain.

The Times somewhat optimistically states that the National Revenue Department has already put a stop to the practice of customs appraisers putting arbitrary valuations on goods imported from Great Britain. The latest word from Ottawa is that the Tariff Board ruling in this respect has not been finally accepted by the customs officials.

The significance of the Times editorial is that the British look to Mr. Bennett personally to make the Ottawa Agreement work. They will give their hearty approval when he does. When bureaucracy at Ottawa intervenes to make the Ottawa Agreement difficult of operation Mr. Bennett will get the blame. When a friendly spirit is shown in interpreting the Agreement reasonably, Mr. Bennett will get the credit.

OUR CENTRE OF GRAVITY IN FINANCE

THERE has never been anything unfriendly in the rivalry between Toronto and Montreal as financial centres. Each has claimed the title of the leading financial city of the Dominion; detached outside observers have usually granted the palm to Montreal.

Recently things have "broken" in favor of Toronto. The boom in gold stocks has brought the mining exchange again to the fore. Bonds, in which Toronto specializes, have been more popular than industrial and public utility stocks. Even the C.P.R.'s bank accommodation, formerly centred in Montreal, was divided among all the banks when the government guaranteed its loans.

The report favoring a central bank carries with it the recommendation that the federal government's bank account, formerly concentrated in an institution with head office in Montreal, be given to the central institution, which would probably have its head office in Ottawa. To provide a freer market in bonds, which is necessary if the central bank is to operate efficiently, it is proposed to establish a bond exchange in Toronto. Finally, the merger of the Toronto and Standard Stock Exchanges promises to create a large and powerful institution.

Whether or not these moves in combination will be sufficient to give Toronto the title of the leading financial centre of the Dominion remains to be seen. If it does, the demagogues will have to transfer the focus of their attacks from St. James Street to King Street (or Bay Street).

In the meantime, Winnipeg is unchallengeable in one direction. It still has the largest cash grain market in the world.

It really does not make much difference where the centre of gravity in finance in Canada is located. The important thing is the degree to which the influence is used for the social good. Eventually the public will destroy all who use financial power selfishly.

EDITORIAL NOTES

The old French proverb "the more things change the more they remain the same thing" probably originated in connection with French cabinets.

* * *

Apparently the Socialist theory is that society as a whole is honest but that individuals cheat. Yet what the Socialists want to do is to reform society.

Post-Scripts

NEVER before in any nation in the world have academic theoreticians, primarily university professors, had quite such an opportunity to give practical application to their theories as have the men around Roosevelt in the last six months. And if the people of the United States come to the conclusion that the professors have failed, then there may be a very serious reaction on the present system of university instruction. J. L. Kraft, a very successful Chicago business man, who originally hailed from Canada, said the other day that "hare-brained professors with Communistic tendencies, who could not successfully operate a peanut stand themselves, are the main men in the N. R. A., the A. A. A., the N. R. C. and the various other alphabetical combinations." The remark may be very unkind but it has an element of truth in it. And if Roosevelt's New Deal fails, the public is very likely to magnify that element of truth into their complete conception of what has happened at Washington and to turn against the professors.

Hoover got a great deal of advice from business men, much of it conflicting and not all of it good. There was a reaction from business men advisers. Roosevelt is getting a lot of advice from professors. It too is conflicting and not all good.

Perhaps there is a middle ground somewhere, an informal arrangement under which the professorial types could do the thinking and the business men the applying of their theories. In any event, both Hoover and Roosevelt seem to have shown themselves good politicians to the extent that they have supplied themselves with scapegoats for their failures.

WE DICTATED an article for The Financial Post the other day using the phrase "numerous schools of economists." The stenographer transcribed it "humorous schools of economists." The temptation was very strong to leave the phrase exactly as it was rendered.

Some very amusing material has been published by economists at one time or another. Stephen Leacock, of course, attempts to separate his humor from his political economy but even so he has had the experience of having his more unfriendly critics persist in classifying some of his books wrongly. G. D. H. Cole, the British economist, who is always in dead earnest in his economic writings, reveals a deft touch of humor in the detective stories which are the product of collaboration between himself and his wife.

We confess frankly that we do not know who is entitled to call himself an economist and who is not. The Oxford English Dictionary does not help us. Its first definition is "one who practises economy." Most economists are not in a position to do otherwise in regard to money but few of them practise economy in words.

Then the OED tells us that an economist is one who is a student of, or writer upon, political economy. Many people who call themselves economists fulfill only the second qualification. They write upon political economy but they are certainly not students of the subject.

Perhaps the true economists, if they can find a way to define themselves, will rise up and form a protective association, defining and patenting a new name for their profession. If the title were reserved only for those who could swear on a copy of "The Wealth of Nations" that they had read through word for word John Maynard Keynes' two volumes on money it would be a very select group. All those who were debarred could form a second and insurgent group. For them we would suggest the title "econoclast."

Sayings of the Week

"I am a believer in honest vulgarity."—*George Robey.*

* * *

"Debate is the death of conversation."—*Emil Ludwig.*

* * *

"Children are always ashamed of their parents."—*Lady Astor.*

* * *

"Literature is journalism without its false teeth."—*H. G. Wells.*

* * *

"We have had mass production in this country without mass consumption."—*W. H. Moore, M.P.*

* * *

"The selfish old world is in its dying gasps."—*U. S. Secretary of Agriculture Henry A. Wallace.*

* * *

"Only through perils and upheavals can the nations be brought to further development."—*Albert Einstein.*

* * *

"President Roosevelt's attempt to manage the currency has failed."—*Frederic Jenny, French economist.*

* * *

"Beware of being misled by temporary catchwords! They are cheap refuges from thought."—*Owen D. Young.*

* * *

"If we could prevent publishers from publishing novels, we might be the happiest land in the world."—*Hugh Walpole.*

* * *

"The great sport of modern times is the race of the present to beat the past—even the immediate past."—*Robert Lynd.*

* * *

"The American explains the concrete by the abstract — the Englishman the abstract by the concrete."—*David Garnett.*

* * *

"The British National Government remains as the greatest steadying influence in the whole world."—*Rt. Hon. Ramsay MacDonald.*

* * *

"It is clear that both on the agricultural side and the industrial side President Roosevelt's policy has broken down."—*Professor T. E. Gregory.*

* * *

"The permanent expression on the face of Hitler is intense resentment. That is an expression every statesman ought to have."—*George Bernard Shaw.*

* * *

"The notion of narrowing property to merely enjoying money is exactly like the notion of narrowing love to merely enjoying sex."—*G. K. Chesterton.*

* * *

"It is quite certain that if the American experiments fail we shall receive a great deal of the backwash on this side of the Atlantic."—*Rt. Hon. Walter Runciman.*

* * *

"We are living in an age in which civilization is fighting for its life and in the last ten years the fight has gone steadily against civilization."—*Leonard Woolf.*

* * *

"Eutopia is derived from Greek words meaning nowhere. Toward that mythical place, we are making detours."—*The writer of the security bulletin of C. F. Childs & Co.*

* * *

"It is an error to imagine that one can increase capital with money. Capital can be produced only by labor and savings."—*Dr. Hjalmar Schacht, president of the Reichsbank.*

* * *

"Successful industry, and the employment which it gives, both depend, not upon Governments, but upon the continual exercise of the business genius of employers."—*P. D. Leake.*

* * *

"People are happiest, and therefore more agreeable, more enlightened, and more tolerant when they are not being worried by cranks, reformers, and uplifters."—*Sir Thomas Beecham.*

* * *

"One interesting development in this revolution of industry and commerce is the creation of what is called the 'leisured mass' instead of the old 'leisured class.'"—*Sir Percival Phillips.*

* * *

"Let no one be misled by the astonishing technical perfection of the modern newspaper and by its vast circulations into thinking that the press is in a healthy condition. It is not."—*R. D. Blumenfeld.*

* * *

"It is no use shutting our eyes to the fact that some of the circumstances which made the capitalist system successful in the last century are no longer the same today."—*Oliver Stanley, British M.P.*

* * *

"Currency has been described as a lubricant of industry, but I prefer to regard it as the very axle upon which the wheels of industry turn.—*H. C. Allen, chairman, B. A. Great Southern Railway.*

* * *

"India is being reduced to bankruptcy by the stubborn prejudice which still persists in attempting to link her good silver rupee to the now uncertain paper pound of Great Britain."—*Sir Montagu Webb.*

* * *

"Questions of peace and war cannot be settled until there has been a settlement of the economic and financial warfare which goes on day by day between nations."—*George Lansbury, British M.P.*

* * *

"I advocate a middle course by which we can shake off the leadership of discredited capitalists without committing ourselves to the follies of the hell raisers."—*U. S. Secretary of Agriculture Henry A. Wallace.*

* * *

"Characteristic of militaristic training in preparation for a new war is the advancement of medieval pseudo-scientific theories regarding the supremacy of some peoples over others."—*Maxim Litvinoff, Soviet foreign minister.*

Danger of Currency War

By SIR GEORGE PAISH, in Barron's

It is obvious that unless an agreement is soon reached and the true remedies applied, other nations are likely to follow the example of Great Britain, the United States, and Japan, and will also depreciate their currencies. And a universal war of the exchanges, combined with a war of tariffs, must inevitably reduce world trade almost to the vanishing point and the nations to unprecedented distress.

It is quite true that, at the World Conference, the statesmen of all nations admitted the injurious nature and futility of the present economic war which is being carried on by means of tariffs, quotas, exchange controls, and currency depreciation, but few of them were prepared to enter into any comprehensive agreement either for an armistice or for peace. And it is obvious that until this economic war is definitely replaced by economic co-operation the situation must grow steadily worse in spite of any temporary signs of recovery.

Danger of Relapse

As matters now stand, the present recovery is likely to be short-lived and followed by a still greater depression unless the statesmen can be induced to give signs of a real understanding of the difficulties, and a real preparedness to apply sound and not unsound remedies.

The recent World Economic Conference came to an end partly because of President Roosevelt's unwillingness to stabilize the dollar, but also partly because trade was showing signs of improvement and many of the statesmen hoped that the situation would right itself without necessitating any radical change of policy especially in the direction of reducing the present barriers to trade to the maintenance of which most of them have committed their fortunes.

But if the world is not to be subjected to the risk of a depression far greater than it has so far experienced, the World Economic Conference must be called together again to decide upon, and to apply the true remedies. The hopes of the world have been raised by the signs of greater understanding on the part of the statesmen. It will be well to prevent these raised hopes giving way to a renewed despair.

To Expand Consumption

In the meantime, it is most desirable that the thoughts of the statesmen should be concentrated upon the question of expanding consumption, not only locally but universally. The question that really needs to be answered is how can consumption be restored and permanently increased rather than how can the things produced be sold at higher prices.

Indeed, the situation can be corrected only by a vast increase in consumption and a recovery in prices in consequence of this expansion; certainly not by curtailment of production and efforts to force prices higher artificially.

New Books

"Is Fascism the Answer?"

S. Alfred Jones, K.C., a Brantford lawyer, asks "Is Fascism the Answer?" and he answers it with such an enthusiastic "yes" that his book reads more like Fascist propaganda than like intelligent, penetrating economic study. This is the great weakness of what is in many respects, a splendid and useful volume. To Mr. Jones, Fascism has become something of a religion not to be questioned but to be propagated.

The world has a great deal to learn from Mussolini's experiments in Italy. There can be no doubt that the establishment of a corporate state, under which industry and labor collaborate in a form of self-government, is profoundly influencing current economic and political thought. So widespread has been the acceptance of the Mussolini policies in industry that one can understand the perturbation of the old line Capitalists as well as of the Socialist leaders of other countries. Only the most shortsighted person would overlook the great Fascist experiment and its achievement to date. But only the most biased partisan would fail to look at the back of the shield to see what the Italian people have given up in exchange for what they have got.

"Is Fascism the Answer?" lacks an orderly plan. It starts off well enough but as the author reaches the middle of his volume he finds himself so overwhelmed with material, so pressed to keep up with the parallel developments in the United States that he throws newspaper clippings, statistics, statutes, etc., together in rather hopeless confusion in order to rush his volume to press.

The reader will find much that is of value and interest in regard to Italy's corporate state in the book but he will find little to enable him to make an independent interpretation of the economics of the situation.

"Is Fascism the Answer?" by S. Alfred Jones, K.C., LL.D., is published by David-Lisson, Ltd., Hamilton. The first edition is already selling well, indicating the intense interest of Canadians in what is going on in Italy.

"The Industrial Crisis"

It has been said many times since this crisis came into being that every man may be his own economist and be as wisely led as if he attempted to reconcile the conflicting viewpoints of the leaders of the numerous schools of political economies that are battling with each other through pamphlets, books, lectures and newspaper articles. In any event we have had a deluge of literature on the crisis from ordinary citizens as well as from professionals with a profound academic knowledge of the alleged principles of economics.

In the former group is "The Industrial Crisis" by Lt. Colonel K. Edgeworth, an English engineer. Colonel Edgeworth makes his own analysis of the causes of the crisis and discusses positive measures that may be invoked toward reconstruction. He urges private individuals to continue as far as possible their normal methods of living, thus helping to promote recovery. He considers reductions in wages, reduction of fixed charges by liquidation, reduction of rates of interest and curtailment of production as essential steps in the process of recovery.

It is an interesting volume and one which attempts to make no novel contribution to economic thought. Rather it is provocative of thinking to the reader. The most interesting sentence is "If the control of industry passes into the hands of the politicians it is safe to predict that they will engineer a greater boom followed by a more disastrous slump than any yet known in history."

"The Industrial Crisis" is published in Canada by Thos. Nelson and Sons, Toronto, at $1.50 per copy.

"The Intelligent Man's Guide to Europe Today"

In England there are several indefatigable writers who do not hesitate to write two or three encyclopedic books each year. Mr. Wells has held the palm to date for rapid production of books but G. D. H. Cole, the ex-Oxford economist and Socialist is beginning to make a race of it. Mr. Cole has an able collaborator in the person of his wife, Margaret. The two names have appeared jointly in the past only in connection with their delightful detective stories, which were apparently written to keep the wolf from the door while the two Coles were busy engaged in probing the world's problems to their depths and commenting on them in rather weighty books which could by their very nature be assured of only a limited market. But when Mr. Cole published "The Intelligent Man's Guide Through World Chaos" a year ago he found himself finally launched on a sea of publishing success. Since then his detective stories have been fewer and his economic works more frequent.

In "The Intelligent Man's Review of Europe Today" he gives us nearly 900 pages of more or less current history. It is doubtful if there are 100 people in the world who will read this book from cover to cover, but there are many who will find it exceedingly valuable as a source of information on the particular aspects of Europe's current problems that they are interested in, or as a work of reference. If this is not a book to be read, it is decidedly not a book to be reviewed in any summary form. One might as well attempt to review the New Oxford English Dictionary.

Suffice it to say that this massive volume attempts to present the broad picture of Europe against an historical background through which run two or three carefully intertwined threads of continuity. For Mr. Cole, while a clever historian and an even more astute economist, is primarily a Socialist and he reveals that as he selects his facts and treats with them. To him the World War and the wreckage it has left, are merely end-products of the particular type of Imperialist, Capitalist economies which grew up and flowered in Europe.

The studies of the German situation and of the rise of Fascism are perhaps the most useful in the book.

An inexpensive edition has been produced by the Ryerson Press, Toronto, at $1.75.

Think of It!

Too Much Protection Often Bad for the Protected

Some Canadian manufacturers are politically rather than business-minded. They have neither vision nor imagination. Some depend upon tariffs to get by. Others with more influence at Ottawa, through their local members, get extra advantages by political interpretations, dumping or exchange impositions, which give them monopoly and are most unjust to dependent secondary industries and others less fortunate politically, not to mention consumers.

Happily for Canadians generally, these things right themselves in time and generally in the end they are disastrous to the privileged manufacturers.

Two such cases have come out recently. One small manufacturer under reasonable protection and long years of good service held the great bulk of the Canadian trade. His pull with the present Minister of Revenue enabled him to get a sharp increase in general protection, and later get special departmental rulings which practically shut out foreign imports. Instantly, a foreign firm hitherto with only a selling agency in Canada began manufacturing here. In three years this foreign concern has enlarged its plant four times; while the manufacturer with the pull has been gradually reducing his space, until his output today is unimportant.

In the other case a large corporation got a further increase in its favorite line. This instantly brought an American manufacturer into Canada with his up-to-date methods, good advertising and services against which the over-fed Canadian corporation was not equipped to compete. It is now in the hands of banks and creditors. It will lose heavily and old employees are in a bad plight.

As Others See Us

Question and Answer

Souris Plaindealer: Some months ago the Plaindealer, editorially, asked the Toronto Financial Post a question, and it has just been drawn to our attention, by a press clipping agency, that the question was answered. Under the heading "Query and Reply," The Financial Post said:

"We are asked a question by the Souris Plaindealer:

> 'The Financial Post (Toronto) says the Hudson Bay route is being bonused to the extent of free storage and elevator service at Churchill. Does The Post forget that the Great Lakes route has been bonused by free canal service ever since the year one?'

"The answer is 'No.' But as we have said many times, our canals should pay their way. There should be no free canal service for the few at the general expense of the country at large."

The answer is quite satisfactory, but so long as the Great Lakes route has free canals we do not see why there should be any objection to free storage at Churchill. There is very little danger of the free canal privileges being removed. Eastern interests will see to that.

Should Be Sure of All His Facts

Niagara Falls Review. — Premier Bennett does not seem to make happy contacts with the press and the latest newspaper to strike back is The Financial Post, which, in a front page editorial, lashes out at him. In a recent radio address, according to The Post, Mr. Bennett went out of his way to attack that newspaper.

Mr. Bennett should be sure of his facts before making attacks. It may be said that he has made other attacks of a similar nature and generally it has been possible to demonstrate that the newspapers have been right.

Attacking The Press

Border Cities Star.—Most of the significance attaching to this projected series of broadcasts has to do with the fact that the prime minister is once again showing only too plainly his attitude toward the press of the country.

From the time he took office in 1930 and immediately accused the newspapers of misquoting him in his campaign speeches, he has lost few opportunities to display his feelings, both in public and in private.

As recently as a few weeks ago, during his western speaking tour, he vented his irritation in his contemptuous reference to editors "making a few dollars a week" who presumed to criticize the Government.

Even at the banquet during which he made his seemingly revolutionary announcement about publicity, he went out of his way to attack an individual press representative in Ottawa and the papers which he represents.

Now he has deliberately chosen to make the radio the agency through which he and his ministers will tell the people of Canada the story of the last three years in office.

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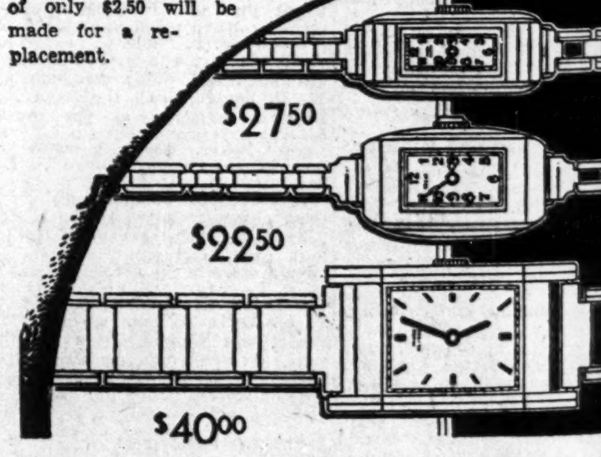

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The Week in Business

Your New Car Nearly Ready

INDUSTRIAL interest in Eastern Canada centres on pending announcements concerning 1934 automobiles. Ford's preview is slated for this week while General Motors and Chrysler are all busy with advance "notices" and official announcements are expected almost immediately. Particular interest attaches to these announcements this year because radical changes both mechanical and architectural are contemplated. Individual wheel suspension and "power" brakes are definite achievements which will appear on many models while further advances toward the elimination of gear-shifting are almost certain. Streamlining will bow to the newest developments in aerodynamics, and revolutionary "lines" are planned by at least one important maker.

Some time ago The Financial Post estimated that three out of every four automobiles in Canada were at least four years old. This means that never before in automobile history was potential replacement demand so great. The new 1934 models will make a supreme bid to attract Canadian motorists and if they succeed a $100,000,000 industry will swing back to normality.

* * *

Pin Money For B. C. Fishers

BRITISH Columbia fishermen are finding new sources of revenue from the livers of the humble cod and halibut. It was about two years ago that the research laboratories of two great world drug companies discovered the marked medicinal value of the halibut liver, and according to the Vancouver Province, this discovery is now netting B. C. fisheries a tidy little bonus in their year's work. An even more recent discovery is that the oil of the Pacific cod is also valuable from the viewpoint of the druggist.

In dollars and cents the sum received from halibut livers by B. C. fishermen is not large, but every cent helps and as drug companies will take every ounce that is offered, the demand is very constant. Approximately 2 per cent of the halibut catch is liver. This was formerly wasted but now nets fishermen an average of 15 cents a pound. On the basis of the 1932 catch this would mean $135,000 to Pacific Coast fishermen, of which B. C. fishers collect $21,000. Last year was the first time B. C. fishers marketed their cod livers for use in oil production. Value of the 250 cwt. marketed was only $4,700. But mighty oaks from little acorns grow.

* * *

$25,000,000 For Wagers

IT ALWAYS seems strange that one of the functions of the Department of Agriculture at Ottawa is to keep a fatherly eye on race tracks in Canada. The figures for the 1933 season are out and show that in spite of a drop of 12 per cent in the amount wagered during the year, the total stood at the very substantial figure of $25,138,000. The corresponding figure for 1932 was $28,695,400. The greatest amount wagered was at the spring meet at Thorncliffe Park, Toronto, namely $1,504,000, while the smallest amount—$684—was reported from the 2-day meeting at Red Deer, Alta.

A decline of $173,255 was registered in gate receipts, the 1933 figures being $638,926 as against $812,182. The sum retained by the racing associations as their percentage of amounts wagered was $1,831,411, compared with $2,066,671 in 1932, a drop of $235,260. This year's prize money totalled $1,147,871, compared with $1,285,562.

* * *

U. S. Dump Duty Not Effective

THERE is general satisfaction in Canada that the Department of National Revenue at Ottawa has relaxed its ruling of last week and has issued an order-in-council providing that the exchange duty on goods from a country whose currency is depreciated, shall not be imposed unless the depreciation exceeds 5 per cent, or the value of a parcel of mail or express is over $10. When the depreciation of a foreign currency drops below 5 per cent the dump automatically applies and will be collected in full.

Interest in this ruling centres of course in the current alignment as between Canadian and American dollars. So far the American dollar has at its lowest point been quoted only at a discount of 3⅝ per cent in terms of Canadian dollars (Nov. 22) so that the original order to impose a dumping duty on U. S. goods entering Canada with the U. S. dollar at a discount, has not become effective.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Dc. 1	Previous week	Same week last yr.
Cattle, cwt.‡	$5.25	$5.10	$5.00
Copper, lb.	.08	.08	.05¼
Cotton, lb.	.1020	.1010	.0580
Rubber, lb.	.0925	.0912	.0328
Sugar, raw, lb.	.0315	.0315	.0285
Silk, lb.	1.42½	1.40	1.52½
Wheat (Man.) bu.°	.59⅛	.60¾	.44¼
Hides, lb.	.10½	.10½	.06½
Coffee, lb.	.07½	.07⅝	.08¼

Weekly Indices♦

N. Y. Annalist‡	101.9	102.8	87.8
Fishers'■	71.7	72.1	†62.0
N. Y. Journal of Comm.	70.3	70.2	57.4
Crumps (Brit.)■	63.2	63.5	†62.4
Can. (D.B.S.)*	83.5	84.2	70.8
U. S. Labor*	71.7	71.2	64.2

†Average, 1932. ■Nov. 18.
‡Week to Nov. 28. §Nov. 30.
*Dec. 1. °Dec. 4.
■Nov. 25.

Monthly Indices♦

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
W'sale (Oct.)	67.9	68.9	65.0
Retail (Oct.)	77.9	78.8	81.4
U. S. Labor (Oct.)	71.2	70.8	64.4
Gt. Brit.* (Sept.)	69.5	69.2	68.9

♦N. Y. Annalist base, 1913, others 1926 = 100.

*Board of Trade Index, converted from 1913 base.

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Business Conditions in Canada

GAINS CONTINUE IN EMPLOYMENT IN MANY TRADES

Logging Makes Large Seasonal Advance

While a halt in industrial activity was shown in October by The Financial Post Business Index, employment at November 1 showed an advance from the figure at the beginning of the previous month according to reports furnished the Dominion Bureau of Statistics by leading industrial firms throughout the Dominion.

Logging Very Active

Particularly important improvement occurred at the beginning of November in logging, the increase being greater than in any other year on record except 1929.

Analysis by Cities

Montreal—Following seven months of uninterrupted improvement, the trend of employment in Montreal was downward on November 1. Manufacturing, construction and transportation reduced activity, while there were small gains in wholesale trade and services.

Quebec City—Second under monthly falling off in employment was reported, manufacturing accounting for most of the contraction, other industries recording only minor changes. Within the manufacturing group, the largest decline occurred within the footwear factories.

Toronto — Most of the gain took place in manufacturing, notably in printing and publishing, lumber, electrical apparatus and non-ferrous metal plants, and in construction, services and trade. A decline had been registered at the beginning of November a year ago.

Ottawa—Improvement was shown in construction, and manufacturing was also more active. Changes in the other group were small.

Hamilton — Employment increased substantially, manufacturing being decidedly brisker, chiefly in the iron and steel group.

Windsor—There was a slight decrease chiefly due to reduction in the automobile and related industries.

Winnipeg—Employment was slacker; trade showed slight seasonal advances but manufacturing, transportation and construction were lower.

Vancouver — There was a downward movement in Vancouver; manufacturing showed a decline, while changes in the remaining industries were slight.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

Canada Creosoting Co. proposes to construct a pressure creosoting plant in Prince Albert, Sask., at a cost of approximately $1,000,000. Construction will be deferred pending improvement in business conditions. The company has lately been experimenting with the creosoting of Saskatchewan spruce and is satisfied with the results. Work is progressing on the $2,500,000 addition to the plant of Courtaulds, Canada, Limited, at Cornwall, Ontario. It is expected that foundations will be in by December 1 when the Dominion Bridge Co. will start laying steel for the structure. The entire plant is to be ready for installation of machinery by March 15, 1934.

Standard Sanitary Mfg. Co., Toronto, is planning the erection of a tunnel kiln pottery as an addition to the present enamelware plant in Toronto. Work on this addition will start shortly.

Economy Oils Ltd. which has acquired the Economy Oil Co. in Alberta proposes to construct an oil refinery in Calgary and also a series of service and bulk stations throughout the province. Drilling will be undertaken on the properties of the company in the southern part of Turner Valley and if production is secured refining will be done in the Calgary plant. It is proposed to construct a service station at Olds, a bulk station at Red Deer and one bulk and one service station at Edmonton with service pumps at points between Lethbridge and Edmonton. In Calgary, the company now has two service stations and a bulk station and proposes to construct two more service stations in addition to the refinery. E. F. Bowden is president of the new company, which purchased Economy Oil Co. and its lease holdings for approximately $100,000.

Bartram Paper Products Co., Vancouver, officially opened its new plant on October 25. The company manufactures paper bags.

Cow & Gate, British food company, will open its first overseas branch in **Gananoque, Ont.**, provided that ratepayers of the community vote in favor of a fixed assessment for a period of years. The company will occupy a manufacturing building that has remained idle for some years and furnish an outlet for milk producers in that territory.

Reopening of the plywood factory at **Southampton, Ont.**, will provide employment for some 36 men within the near future, it is expected. The plant has been closed for the past six months and John F. Dowling, of Brantford, has made an offer for the property.

Grovesend Steel & Tinplate Co., of London, England, may establish a tinplate mill in the plant of Dominion Alloy Steel Corp. at **Sarnia, Ont.**, it is reported. No new construction would be involved.

Business Briefs

Asbestos shipments from Canada in September totalled 18,564 tons, the highest monthly total on record since December, 1930. Shipments in September, 1932, amounted to 11,001 tons. During the nine months ended September 30, 1933, shipments from Canada totalled 98,120 tons, 17.5 per cent above the tonnage shipped in the same period of 1932.

Commercial salt sales by Canadian producers at 17,498 tons in September exceeded sales in the preceding month and sales in September, 1932. Shipments during the nine months ended September 30, 1933, total 131,831 tons, an increase of 7.7 per cent over the corresponding period of 1932.

Tomatoes imported during the nine months' season ended in July, 1933, totalled 26,272,833 lbs. valued at $782,218. Of these imports, the United States supplied 33.4 per cent, Mexico 30.9 per cent, British West Indies 23.8 per cent, Cuba 6.8 per cent and Bermuda 5 per cent.

Fruit, Vegetable Interests Split on Tariff Needs

Growers Urge Permanent Tariff — Jobbers Think Schedules Too High — $20,000,000 Investment Involved

From Our Own Correspondent

OTTAWA—After maintaining a united front for more than ten years, the Horticultural Council has been split wide open on the question of tariff protection for the fresh fruit and vegetable industry.

This important fact emerged at the Tariff Board hearing of an application from the growers, held at Ottawa last week. Not only does this division of opinion force the fruit and vegetable tariff once more into the centre of the federal political arena but it imperils, to some extent, the very large investment of capital which has been made in the industry in the past three years.

$20,000,000 Investment

The full extent of this investment was not disclosed in the evidence but it is believed to approximate $20,000,000. In hothouses alone, there has been an investment of $10,000,000, while in the Province of Quebec there are, today, 15,000 more establishments for the production during the off-season of onion shallots.

In addition the industry, during the past three years, has recaptured the Canadian storage trade and this has involved the construction of many large warehouses and cold storage plants. This industry, lost to Canadian growers early in the present century when improved transportation facilities made off-season importation from southern states very cheap, has been regained under the Bennett tariff but is now imperilled by the dispute which has arisen.

Jobbers Part With Growers

For ten years the growers and the fruit and vegetable jobbers have pulled together in the Horticultural Council, presenting unanimous tariff proposals to successive governments. Last week, the jobbers parted company with the growers. The former believe the latter desire too much tariff, if it is to be in a permanent form, and they have submitted an alternative tariff schedule based upon 100 per cent protection.

But while there seemed to be little if any prospect of bringing the two units of the council into harmony, there is a good deal of doubt if the Tariff Board will intervene on behalf of one or the other.

As reported in The Post last week, the growers raised the question of tariff by requesting the government to give permanent statutory form to the special order-in-council tariffs of the past three years. The government passed the request along to the Tariff Board for investigation and report.

Growers' Viewpoint

The growers are not dissatisfied with the height of the special tariffs since 1930, but they believe their position might be insecure if a change in government took place. The special tariffs are imposed under Section 43 of the Customs Act, which the Liberals are pledged to repeal, and the rates and the seasons are fixed by orders-in-council and departmental bulletins issued under this section.

If the section is repealed, all special tariffs would be cancelled automatically. Hence the desire of the growers, as expressed in their application, to have the present special tariffs incorporated in the Customs Tariff Act.

Seasons Gradually Lengthen

The position of the growers is not illogical. When seasonal tariffs were applied, for a brief period back in 1926, and steadily since 1930, no one really knew the average seasons in which various Canadian fruits and vegetables were on the market. Moreover, for the reason that protection would increase Canadian production, it was evident that the seasons would gradually lengthen until the maximum of output was reached. Three years experience has brought the expansion to the point where further production would almost certainly have to be for export and it has proved that average seasons may be fixed which would be fair to the grower and the consumer alike.

This is one side of the argument. On the other side it is argued that weather conditions, varying from year to year, are a potent factor in the volume of production and that permanent seasonal tariffs, in some years, might involve severe penalties for consumers.

Board is Dubious

From sources close to the Tariff Board it is learned that the commissioners regard this point as of paramount importance. It is not merely a question as to the degrees of protection the growers should receive, but whether or not these tariffs should be permanent. The chances are that the board will decide that the nature of the industry makes special tariffs—changeable at a moment's notice—more desirable.

Jobbers Disagree

But apart from this basic question, the board's hearings found the jobbers in open disagreement with the growers on the question of the amount of tariff required. The proposed permanent tariff submitted by the growers is merely a consolidation of the special tariffs now in force. They are not asking for an increase in protection.

But the jobbers believe these tariffs are too high. They claim that much of the expansion in recent years is uneconomic. The hothouse industry they brand as an indefensible luxury for Canada. They believe the tariff on fruits and vegetables should not exceed 100 per cent and they declare that present tariffs are much higher.

Products Left to Rot

In many respects the fruit and vegetable tariff question was revealed as unique. The ordinary tariff arguments do not apply. While the growers readily admitted that they now possess a monopoly of the Canadian market, during their marketing season, there is no suggestion of price control nor is there any evidence that consumers are paying undue prices. Canadian growers produce far more produce than the domestic market can consume. Prices, under prohibitive protection, have been so low that thousands of tons of fruits and vegetables, in the past three years, have been left to rot in the orchards and fields. The benefit of the tariff has been to give the growers a much larger volume of sales, but not at fancy prices.

Provided that Tariff Board decides the issue of special versus permanent tariffs in favor of the latter, the choice will lie between two proposed tariff schedules. One of these is sponsored by the jobbers, and according to them, represents 100 per cent protection. The other is sponsored by the growers and in a consolidation of present special tariffs.

Rival Proposals

The following table gives the rival proposals for the year-round tariff on vegetables:

	Jobbers c.	Growers c.
Onions, lb.	1	1
Onion Shallots, lb.	1	1
Onion Sets, lb.	3	6
Mushrooms lb.	15	15
Asparagus, lb.	1½	2
Green Beans, lb.	¾	¾
Brussels Sprouts, lb.	2	3
Cabbage, lb.	½	1/3
Carrots, lb.	½	½
Beets, lb.	½	½
Eggplant, lb.	½	½
Cauliflower, lb.	½	½
Celery, lb.	½	½
Cucumbers, lb.	¾	1
Lettuce, lb.	¾	½
Parsley, lb.	3	5
Escarole, lb.	1	1
Green Peas, lb.	¾	1½
Rhubarb, lb.	3	3
Spinach, lb.	¾	¾
Tomatoes, lb.	2	2
Radishes, lb.	¾	1
Peppers, lb.	1	2
Potatoes, cwt.	75	75
Sweet Potatoes, lb.	free	15
Vegetables, n.o.p., lb.	1	1

During the season when Canadian produce is on the market, these so called year-round tariffs are set aside in favor of seasonal tariffs. With regard to the seasonal tariffs, the two proposals are as follows:

	Jobbers c.	Growers c.
Onion Shallots, lb.	3	6
Asparagus, lb.	3	8
Green Beans, lb.	2	4
Cabbages, lb.	1½	3
Carrots, lb.	1½	3
Beets, lb.	1½	3
Eggplant, lb.	3	5
Cauliflower, lb.	1	5
Celery, lb.	1½	3
Cucumbers, lb.	1½	4
Lettuce, lb.	1½	2½
Green Peas, lb.	2	4½
Spinach, lb.	1½	2½
Tomatoes, lb.	no increase	5
Radishes, lb.	1½	6
Peppers, lb.	3	5

Fruit Schedules

The proposed tariff on fruits follow:

All Year Tariff

	c.	c.
Apricots, lb.	1	1
Cherries, lb.	2	2
Cranberries, lb.	2	2½
Peaches, lb.	1	1
Pears, lb.	¾	¾
Plums, lb.	¾	¾
Strawberries, lb.	1½	2
Raspberries, lb.	2½	3
Prunes, lb.	¾	¾
Apples, lb.	1	1½
Grapes, lb.	2	2
Cantaloupe, lb.	½	½
Melons, each, lb.	3	3
Fruit, n.o.p., lb.	1	1

Seasonal

	c.	c.
Apricots, lb.	1½	3
Cherries, lb.	4	7
Peaches, lb.	3	3
Pears, lb.	1½	2
Plums, lb.	1½	2
Strawberries, lb.	3	5
Raspberries, lb.	4½	6
Prunes, lb.	1½	2
Grapes, lb.	no increase	3
Cantaloupes, lb.	1½	4½
Watermelon, each	no increase	7

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	Weekly Latest 1932	Cumulative Jan. 1 to date 1933	Cumulative Jan. 1 to date 1932
Transportation—				
Car loadings (Nov. 25)	44,492	43,274	1,846,357	2,002,026
C. P. R. gross earn. (Nov. 30)	$ 3,305,000	$ 3,369,000	$ 102,515,000	$ 112,014,000
C. N. R. gross earn. (Nov. 30)	$ 4,090,827	$ 3,924,041	$ 131,449,663	$ 143,327,784
Monthly				
C. P. R. net earn. (Oct.)	$ 4,058,447	$ 3,923,573	$ 14,029,898	$ 14,454,943
C. N. R. net earn. (Oct.)	$ 2,542,586	$ 2,692,726	$ 3,449,958	$ 5,294,555
Iron and Steel—				
Pig iron, tons (Oct.)	27,002	6,731	160,872	102,950
Steel, tons (Oct.)	48,496	17,102	315,325	274,945
Automobile prod. No. (Oct.)	3,682	2,923	60,371	56,473
Auto Vehicles—				
Passenger, sales, No. (Oct.)	1,606	1,312	37,779	36,893
Trucks & buses, sales, No. (October)	496	412	5,271	6,748
Auto. exports, No. (Oct.)	2,952	2,462	17,457	10,404
Construction—				
Building permits (Oct.)	$ 1,762,947	$ 3,056,137	$ 17,888,459	$ 38,082,336
Contracts (November)	$ 10,637,200	$ 10,170,400	$ 89,082,200	$ 132,872,400
Newsprint—				
Production, tons (Oct.)	191,452	157,506	1,639,701	1,612,854
Exports, tons (Oct.)	171,946	148,934	1,490,170	1,536,197
Sugar—				
Imports, raw, lbs. (Oct.)	28,612,100	48,444,800	451,860,000	626,209,300
Melt. & ship., lbs.*	65,532,210	76,543,030	638,110,234	737,944,993
Manufactured, lbs.*	112,533,399	115,873,720	685,908,267	772,487,907
Flour—				
Production, bbls (Oct.)	1,650,557	1,721,598	11,088,837	11,512,521
Wheat flour exp., bbls. (Oct.)	514,368	528,794	4,124,351	4,062,894
Other Industrial Indices—				
Lumbering: Plank & board exports, mill. ft. (Oct.)	117.32	55.25	816.50	590.14
Boots and shoes, pr. (Sept.)	2,035,525	1,723,202	15,071,463	13,940,630
Petroleum, imp., crude gal. (October)	91,713,858	83,448,516	697,661,284	805,328,695
Cotton, imp., raw, lbs. (September)	7,409,192	4,553,000	68,549,192	61,132,000
Rubber, raw, imp. lbs. (Sept.)	5,868,575	6,204,016	28,639,451	38,478,675
Coal, imports, tons (Oct.)	1,210,691	1,331,774	9,153,690	9,271,590
Gasoline sales, gals. (Aug.)	61,862,000	61,668,000	318,335,000	326,277,000
Trade—				
Imports (October)	$ 41,089,424	$ 37,094,525	$ 322,194,364	$ 385,883,998
Exports (October)	$ 60,213,729	$ 56,626,095	$ 420,160,733	$ 405,248,525
Wheat exports, bus. (Oct.)	23,305,510	40,192,415	151,366,940	173,181,780
Labor—				
Employment Index (Oct.)	90.4	86.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Oct.)	1,617,786	1,390,144	14,141,283	12,981,564
Finance—				
Failures, No. (September)	155	192	1,585	1,793
Failures, Liabilities (Sept.)	$ 2,344,568	$ 2,979,544	$ 26,347,327	$ 30,012,931
Bank debits (Oct.)†	$ 2,823,400	$ 2,367,200	$ 24,652,117	$ 21,293,389
Bond sales (Nov.)	$ 6,567,340	$ 1,093,500	$ 482,391,089	$ 374,328,358
Insurance sales (Oct.)	$ 31,253,000	$ 29,858,000	$ 292,370,000	$ 336,437,000
Automobile Financing—				
Used cars (October)	$ 663,722	$ 864,629	$ 9,154,966	$ 11,669,424
New cars (October)	$ 688,736	$ 722,756	$ 9,262,200	$ 11,729,662

*Four weeks period, Oct. 14 to Nov. 4. †(000's omitted).

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BONDHOLDERS PROTECTIVE COMMITTEE

CANADA STEAMSHIP LINES
LIMITED

First and General Mortgage 6% Gold Bonds, Series "A", due October 1st, 1941

NOTICE is hereby given that the date on or before which deposits of the above bonds may be made under the terms of the Deposit Agreement, dated as of April 18th, 1933, has been extended to January 31st, 1934.

For the purpose of supporting and strengthening their own organization, it is urged that bondholders who have not done so, deposit their bonds promptly.

By Order
BONDHOLDERS PROTECTIVE COMMITTEE

Dated November 29th, 1933.

Room 101, 355 St. James St. W.,
Montreal.

E. G. SMITH,
Secretary.

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L-303
GUARDIAN OF CANADIAN HOMES
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BANK OF MONTREAL

Annual General Meeting Held 4th December, 1933

The 116th Annual General Meeting of the Shareholders of the Bank of Montreal was held in the Board Room at the Bank's Headquarters.

On the motion of Mr. H. R. Drummond, Sir Charles Gordon, G.B.E., was requested to take the chair.

Mr. Ross H. McMaster moved, seconded by Mr. W. B. Blackader, that Mr. Arthur Browning and Mr. Henry Rawlings be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the Meeting. This was carried unanimously.

THE PRESIDENT'S ADDRESS

Sir Charles Gordon, President, in addressing the shareholders, said in part:

Gentlemen—

You have before you the report of your Directors for the year ended October 31st, as well as the statement of profits in that period, together with the statement of assets and liabilities, all of which I trust you will find satisfactory having in view the exceptional conditions which have prevailed.

The year has been a difficult one, but in the later months business in general has shown evidences of a return to more normal conditions, and I am glad to say that this has been reflected in the affairs of your Bank.

During the year your Board of Directors have supervised the Bank's affairs with the greatest of care, and I have no hesitation in assuring you that in our opinion the provision made for bad and doubtful debts is ample to cover all losses for which the strictest prudence would make allowance.

THE ECONOMIC SITUATION

During the year, strange and startling events have occurred in the field of finance and economics, particularly in the United States. Beginning with a run on banks in the State of Michigan which necessitated the closing of these institutions, the panic rapidly became country-wide, causing in the month of March the unprecedented and until then unbelievable situation of every bank in the United States temporarily suspending payment. To this alarming condition, combined with severe trade depression and large unemployment, may be attributed the measures of the Congress and the drastic plans for reconstruction launched by President Roosevelt, and presently in process of execution. The United States went off the gold standard at a time when the country held upwards of $4,000,000,000 of the metal, and repudiated contractual obligations of bonds issued in terms of gold. A deliberate policy designed to depreciate the value of the American dollar has been pursued to the point of depreciation in terms of gold of nearly 40%, in expectation that commodity prices would rise in the domestic market in close proportion to the drop in the dollar, an expectation not yet realized.

Other measures wide in scope, involving an immense expenditure of public money, have been taken to revive business and put men back to work, among them bonusing of farm products in compensation for reduced production, loans for building construction, loans to railways to provide equipment, loans to assist in mortgage payments, and all-embracing codes to regulate the conduct of industry and trade, hours of labour, scale of wages and rate of profits.

Strange to say, although some of the most far-seeing men in the United States have pointed out that there must be a resumption of trade with other countries if prosperity is to be restored to the United States, this seems to have been entirely lost sight of. Although it was expected that the United States would join with other countries at the World Monetary and Economic Conference to discuss the stabilization of exchange and the modification of tariffs, it was considered by President Roosevelt that any discussions along these lines would interfere with his policy for domestic recovery. It would be unbecoming in me to comment upon this policy, novel in part and not lacking in courage. We can, however, wish it successful fruition because prosperity in so vast, so largely populated and so highly developed a country as the United States must radiate to Canada and could not fail to be helpful to the world at large. Meanwhile, it may be said that many of the problems which are now confronting the United States, such as unemployment relief, old age pensions, allowances to those who served in the war and many other social problems, have already been faced by Great Britain and are working out there in a satisfactory manner.

In Europe the situation has been rendered obscure by a rapid succession of events. The disappointing results of the World Conference, Germany's abrupt termination of the Conference on Disarmament and notice of withdrawal from the League of Nations, the War Debts dilemma and uncertainty concerning possible consequences of the experiments of the United States, have all combined to retard economic and financial reconstruction.

France strives to balance her budget and cling to gold; Germany struggles to adjust herself to a new form of government, with the attitude of both countries further complicating settlement of the grave political and economic problem of disarmament. Standing out clearly, however, is the definite improvement which steadily continues in Great Britain. That country's faith in simple, well-proved methods has once more been justified. Britain's credit stands as high as ever and London has regained her position as the financial centre of the world. Once more, at great sacrifice on the part of the British taxpayer, the budget was balanced. Government funding operations have effected important economies which with a decided improvement in revenue and decreased expenditure, have given rise to legitimate expectations of a surplus for the current fiscal year and of some lightening of the onerous burden of taxation. With industries reviving under tariff protection, steadily decreasing unemployment and rising exports, Great Britain carries on while doing her best to aid in solving the grave international problems of the day.

ROYAL COMMISSION ON BANKING AND CURRENCY

In the affairs of Canadian banking during the year, the outstanding feature has been the investigation conducted by a Royal Commission on Banking and Currency under the chairmanship of Lord Macmillan, the purpose being to prepare a report and recommendations to assist Parliament in anticipation of the decennial revision of the Bank Act.

I will not take up your time by going into the question of a Central Bank very fully, but I would say that in considering the advantages or disadvantages it is of first importance that the banking system in operation should be taken into account, and in this connection it is well to remember that two of the members of the Royal Commission were Canadians thoroughly versed in the banking and economic conditions of this country. These two members are not in accord with the rest of the Commission in their findings. Their intimate knowledge of the affairs of the country and of the present system no doubt influenced them in their conclusions.

Two matters which must be taken into consideration are—first, the cost of setting up and operating such an institution, which cost could not but be passed on to the public; and second, the probability that the bank would always be under the control of a political party and that its cost of operation and the control of credit would therefore be subject to political influences. We have before us the example of the Canadian National Railways, the cost and operation of which have got out of control largely because of political influences. In the United States they have a Central Bank, the Federal Reserve. It was expected when this was established that it would be operated without political influences being exercised upon it, but one has only to look at the huge expenditures which have been sanctioned by Washington and which must be carried out by the Central Bank and the Reconstruction Finance Corporation, which is virtually a subsidiary of the Central Bank, to see how little the elimination of political influence is to be relied upon. There seems to be only one conclusion which can be arrived at with regard to the situation at Washington and that is, that the national debt of the United States, which three years ago stood at sixteen billions of dollars and now stands at about twenty-two billions, will reach a colossal sum before the present programme is carried to fulfilment. The same thing might happen in Canada.

TRADE AND INDUSTRY IN CANADA

Turning to the field of trade and industry, it is not a matter of opinion but of statistical fact that during the past year in practically every country of importance there has been a revival of business—in some countries a remarkable revival. Canada has shared in that revival, trade, both internal and external, having progressively improved since February, when the low point in recent years was reached. Complete returns for seven consecutive months since that time are available, and they show that these seven months have been months of recovery. As indicating the extent of this recovery I cannot do better than refer to figures which were issued in October by the Dominion Bureau of Statistics, these being the latest available. They show in seven months a gain in business of 35.5 per cent and a gain in manufacturing of 65.2 per cent.

A most serious situation has developed in our western provinces, owing to the fact that hundreds of millions of dollars have been spent on railways, branch lines and other means of transportation, also upon elevators for the handling of the western grain crops, these expenditures all being based on the assumption that the full surplus of the crop of wheat would always be readily marketable abroad at a fair price. Not only have these expenditures been entered into, but legislative buildings, educational establishments and widespread programmes involving public commitments have also been embarked upon on the same assumption. Owing to the gradual closing of markets in those countries which took the large surplus of wheat that Canada had available for sale abroad, Canada now finds itself with heavy stocks of wheat which have been increasing from year to year, until at November 10th they stood at something in excess of 250,000,000 bushels. As it becomes more and more clear that it would be unwise to depend so largely upon wheat in the future, it is of the utmost importance that concerted efforts be undertaken to diversify production and broaden the development in the western provinces.

Engineering and building construction has been hard hit by the depression. The rapid pace of this industry before 1930 resulted in over-building, and an extensive revival cannot be expected until new demand is created. Governments are not in financial position to undertake erection of public works, nor to proceed with important engineering projects. The industries wholly or partly dependent on construction are many, and the number of skilled artisans large.

Our railways continue to struggle against adverse conditions. The National line has been from its inception a drain upon the public treasury. Its debt is upwards of two and a quarter billion dollars. Interest on the National Railways bonds in the hands of the public, plus interest on moneys representing outlays by the Dominion Government on behalf of the National Railways, together with the operating deficit of the railway, amount to approximately the sum of $100,000,000 annually. The pioneer trans-continental line, the Canadian Pacific, an enterprise in which Canadians have pride by reason of the sagacity, efficiency and ability of the management since its inception, an enterprise which has contributed more to the development and progress of Canada than any other agency, has been confronted with the unfair competition of the State-owned road to the disadvantage of both without compensating public benefit. In this circumstance amalgamation would seem to be the course of commonsense. Parliament has deemed otherwise. The legislation of last Session sought a compromise between competition and amalgamation by means of enforced co-operation, and some measure of economy has thereby been effected. The entity of each system, however, remains, with dual services, dual executives, dual operating staffs, where one would suffice, and the opportunity to cut cost to bedrock has not been availed of. One may hope that co-operation will be firmly pressed to its extremest limit in the interest of the taxpayers.

In considering the problem of our railways, we should bear continually in mind that they are the largest single employer of labour in Canada, that many allied trades flourish when our railways flourish, and that, therefore, if only for selfish reasons, each of us should consider this his individual problem and assist to the extent that he can in its solution.

FOREIGN TRADE

In respect to Canada's foreign trade, significant is the fact that in every month since April exports have been substantially larger in value than in the corresponding month of 1932, and the same can be said of imports since June last. A particularly gratifying feature is the reversal in the balance of foreign trade. Three years ago, in the twelve months ending with October, imports exceeded exports by $98,466,000, whereas in the twelve months ending with October of this year exports exceeded imports by $125,726,000. This reversal in the trade balance of $224,000,000 in three years has been of incalculable advantage to Canada, a debtor country, in maintaining its credit and the relative stability of its currency. The swing of trade to Empire countries, a movement encouraged and fostered by the compacts made at the Imperial Economic Conference in Ottawa last year, has been marked. The percentage of Canada's trade with British countries in the fiscal year 1930 was 34 per cent of the whole, while in 1933 it as 46.9 per cent. The tariff concessions now being given by Great Britain to a number of important Canadian primary products have proved of definite benefit, as has also the rise in sterling. Lastly, in this connection may be mentioned the fact that in the seven months to October last dutiable imports declined $24,249,000, while free imports increased $6,826,000 compared with the corresponding period last year, indicating greater industrial activity in Canada, since free goods comprise raw materials for domestic manufacture.

GOVERNMENTS—FINANCE

Taxation, Federal, Provincial and Municipal, continues to press heavily upon all kinds of business and all classes of people. Statistically, the situation is startling, expenditure by these governments having increased from $297,129,000 in 1914 to $1,052,623,000 in 1931, or by 254 per cent, while in the same period the increase in population was 35%. Falling revenues necessitate new levies to meet fixed charges on inordinate debt, and budgets remain unbalanced. Demands upon our various governments do not abate. Care of the unemployed is costly. Yet, some slight improvement may be noted. Governments have cut down controllable expenditure, revenues are rising and cheaper money has enabled debt conversion into lower rate interest bearing bonds to be made. There has been a diminution in the number of unemployed. Rigid economy of all governments must, however, persist until the present oppressive weight of taxation is lifted, if Canadian trade and industry are to flourish. In connection with governmental financing may be mentioned the re-entry of the Dominion Government into the London money market last August with a loan, handled in that centre by your Bank, of £15,000,000 which was largely oversubscribed, and the successful placing of a domestic Dominion loan of $225,000,000 in October, of which $170,000,000 was in the nature of a conversion.

ENCOURAGING SIGNS

In what I have said, I would not have you think I have struck a depressing note. It is much to know that practically the world over trade is better than a year ago, and that in Canada, for the better part of this year, definite improvement in business has been going on. From personal observation I can say that a number of businesses of which I have an intimate knowledge are showing marked improvement.

THE GENERAL MANAGERS' ADDRESS

The Chairman then called upon Mr. Jackson Dodds, as Joint General Manager, to read the Address of the Joint General Managers which was as follows:

Mr. Chairman and Gentlemen:

On behalf of Mr. Bog and myself I have the honour to present to you the one hundred and sixteenth annual Balance Sheet of the Bank.

Following are the principal changes in the Balance Sheet:

Our Total Assets now amount to $768,500,000 against $769,200,000 a year ago, a decrease of $700,000.

Quick Assets, comprised of cash, call loans, bank balances and high-grade securities, aggregate $492,500,000, or 71.15 per cent of Liabilities to the Public, compared with 63.46 per cent last year.

Reserves in actual cash total $78,300,000, or 11.31 per cent of Liabilities to the Public. The Bank's traditional policy of maintaining a strong position continues to be followed in the interest of our depositors and in order that we may at all times be open to take on desirable new borrowing accounts, large or small, without curtailing our ability to meet the legitimate needs of present customers.

Call Loans at $43,900,000 show an increase of $18,700,000. Those in Canada are up $2,500,000. Others are up $16,200,000.

Our Deposits in Other Banks, $25,400,000, are lower by $6,300,000.

Investments, not exceeding market value, amount to $317,000,000, as compared with $267,000,000 last year, an increase of $50,000,000. Dominion and Provincial Government Securities are up $61,000,000, and Railway and other Bonds and Stocks, $3,000,000. Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian are down $14,000,000.

Current Loans in Canada (including advances to Municipalities) total $236,000,000, a decrease of $45,000,000. Under this heading are advances to producers of primary products, to manufacturers and to customers engaged in all branches of commerce, and the reduction reflects the lessened requirements of borrowers in these classes.

Current Loans elsewhere aggregate $11,800,000, a decrease of $6,000,000.

Bank Premises are shown at $14,500,000, the same figure as in 1932.

In valuing our assets ample reservations have been made for contingencies, bad and doubtful debts and depreciation of securities.

Capital and Rest remain unchanged at $36,000,000 and $38,000,000 respectively.

Deposits total $634,700,000, a decrease of $1,000,000. Notice Deposits are down $15,000,000 and Demand Deposits $2,000,000. Dominion and Provincial Government balances are up $16,000,000.

The interest rate on Savings Deposits was reduced from 3 per cent to 2½ per cent as from 1st May last by all the Banks.

We have over one million deposit accounts in Canada, which bears testimony to the Bank's long-established policy of maintaining a strong position and to the quality of the service rendered. The reduction in total Notice Deposits is evidence that many are obliged to draw on their savings, which have proved a boon to them in these times of reduced income.

Advances under the Finance Act, $9,000,000, represent our share of the $35,000,000 special borrowing by all the Banks in November, 1932.

Balances due to Banks are $6,600,000, a decrease of $6,400,000.

Profits are shown at $4,005,000, as compared with $4,663,000 last year, a decrease of $658,000. The balance carried forward is $1,585,000, an increase of $340,000.

CONDITIONS IN CANADA

When we met twelve months ago we looked back upon a year about which the best that could be said was that it was past; there was little to encourage hope for the year which is now under review. Notwithstanding the apprehensive outlook, it can now be said that improvement has taken place. It would be a greater satisfaction to be able to say that it was shared in by all alike. Unfortunately this is not the case, but if conditions elsewhere do not interfere, we may look forward to more general improvement. Canada, whose foreign trade is the fifth largest in the world, cannot be expected to return to prosperity until world trade is resumed on normal lines. Every country appears to be striving for an excess of exports over imports, but this will remain a mathematical impossibility. Meanwhile the greatest creditor nation in the world will not accept payment of debts owing her, in the only form that they can be paid, namely, in goods or services, and her money market is practically closed to outside borrowers.

The wheat crop for all Canada is estimated by the Bureau of Statistics at 271,821,000 bushels, as compared with 428,514,000 bushels last year. It has been a disappointing year in agriculture, and until the debt-paying and purchasing power of farmers is restored domestic business generally cannot regain normal activity.

Commodity prices, which declined persistently throughout 1932 and the first two months of 1933, showed some recovery in March and this recovery continued to July, since when there has been a minor recession.

Manufactured goods appear to have held most of their midsummer gains. Average prices have remained through the depression closer to 1926 levels than have the average prices of raw materials.

Prices of farm products sank to a critically low level at the end of 1932, showed substantial improvement in 1933, but have receded from the peak of July. In September, farm prices were below one-half of the 1926 level.

This disparity in price movements imposes a crushing burden on agriculture, particularly on the grain producer.

Largely as a result of measures arising from the Imperial Conference at Ottawa, prices of animal products not only showed improvement since February last, but have risen fairly substantially since July. This is a welcome development, and it is hoped that Canada's participation in the valuable market for bacon and ham in the United Kingdom may continue to increase. Full advantage of this and other export opportunities offered can be secured only by careful study of British markets with a view to supplying what is desired, in reasonable quantities and at the right time.

Canada's trade within the British Empire increased by $23,500,000 during the year ended 30th September, while the balance in Canada's favour was over $30,000,000 greater than during the previous twelve months.

On the other hand, our trade with the United States during the same period decreased by $105,000,000. For years past our purchases of goods from them have far exceeded their purchases from us, but it is interesting to note that the disparity against Canada narrowed this year to $50,000,000, as against $92,000,000 in 1932.

While Canada's world trade decreased by $110,000,000, her favourable trade balance of $126,000,000 showed an increase of $84,000,000.

Tourist expenditures in Canada have been on a reduced scale.

Bank debits since April have been well over last year's figures, reflecting increased business turnover. Manufacturing activity is fairly satisfactory in the light of prevailing conditions, and particularly in the case of tobacco products and, to a lesser extent, flour milling. Canada is the second largest manufacturing country in the British Empire. Whereas formerly England had to compete in this market with foreign countries only, she now has the domestic manufacturer to meet. British firms have been slow in considering the advisability of establishing subsidiaries in Canada, as compared with American corporations which have done so with profit.

Imports of wool, cotton and crude petroleum have been abnormally high. The export market for lumber has improved appreciably, largely as a result of the Imperial Economic Conference held in Ottawa in 1932. Newsprint exports to the United States have increased latterly, but the volume of trade and the prices will have to show substantial betterment before reasonable levels are restored.

Industrial employment at the beginning of November showed its seventh consecutive monthly increase.

Great activity continues in the mining of precious metals, and producing gold mines are earning high profits.

New construction is at a low ebb as we have an excess of physical equipment over the needs of our present population.

Commercial failures in Canada for the twelve months ending September numbered 2,213, with liabilities of $47,963,000. This compares with 2,427 failures, with liabilities of $49,684,000, during the previous twelve months.

IMMIGRATION

During the twelve months ending with August total immigration was 15,467, including 14,086 returned Canadians, compared with a total of 22,030 the previous twelve months, which included 18,496 returned Canadians. Great Britain has a large surplus population to distribute over the Empire annually and funds are provided from public and private sources to assist in this distribution. It is apparent that Canada is not attracting her share of agricultural families, though we are in need of more people and have low-priced farms and free land suitable for mixed farming, where with helpful supervision the right type would soon become self-supporting.

CENTRAL BANK

The postponed decennial revision of the Bank Act, which was due in 1933, will come before the next session of Parliament. In the meantime, Banking and Currency in Canada have been overhauled by a Royal Commission which visited every province of the Dominion and listened to the representations of any and all who wished to appear before them, including the banks.

The distinguished gentlemen who comprised the Commission performed their task with the utmost patience, tact and discretion, and their report contains a great mass of valuable data which will provide an authoritative source of reference.

Our banking system has weathered a world-wide storm unprecedented in history, and it remains to be seen whether or not it is to be allowed to continue to serve the needs of the country as in the past.

The banks in Canada are owned by 48,271 shareholders, and have had entrusted to them the uninvested funds of over four million depositors. It is not unlikely that the views of depositors and shareholders as to need for drastic changes in our system will be taken into consideration. So far as the institutions themselves are concerned, there are only ten of them, they are national in scope, and it is safe to say that they will accept, in a spirit of co-operation and goodwill, whatever decision may be reached in the general interest.

TAXATION

Governmental bodies, of which we have in Canada besides the Federal and nine Provincial, over four thousand Municipal, do not all welcome advice from taxpayers as to the need for economy in spending. Many elected bodies seem to feel that if they do not spend enough to make themselves popular they will be ousted and replaced by less capable administrators who might spend more. Fortunately this may not be said of all governing bodies, but the growth of the tax burden to the point it has now reached, which is admittedly the limit of endurance, and in some cases beyond it, can mean one thing only, and that is drastic reduction in ordinary and special expenditures. Budgets must be balanced if credit and solvency are to be maintained.

This will involve the discontinuance of many outlays for services which have come to be looked upon as necessities, but which we cannot afford to pay for and must therefore do without. These do not include intelligent and well administered expenditures for relief of the many who, through no fault of their own, are temporarily denied an opportunity to earn a living and must be helped as a matter of ordinary course in times like the present.

There is nothing in what has just been said that is not well known to members of governing bodies, and its purpose is to emphasize to citizens that in paying taxes (direct and indirect) they do not discharge their full obligation; there is still the important duty of insisting that the same care be exercised in the use of public moneys as taxpayers exercise in their own personal expenditures.

UNITED STATES

One of the most potent influences retarding recovery throughout the world has been uncertainty, for without some feeling of assurance as to what lies before them prudent business men avoid making future commitments. Particularly has this been evident in the United States, where, with all the equipment necessary, an abundance of capital, the widest diversification of products, and the largest domestic market of any country in the world, business has been at a low ebb. Various well-intentioned plans of a nature and on a scale never before permitted in a democratic country are being put into effect, accompanied by a promise to try out still others if necessary to goad business upgrade. The undertaking of such a colossal and unprecedented experiment is, of course, their own affair, and our earnest wish in Canada is, as it may well be, that success may be achieved. Failure would have an incalculable effect on the morale of the people if not liberally discounted in advance. Our proximity to the United States, and our close association in business, cause us to take more than a detached interest in the progress of events there.

A great many in the United States still think that continued patience and perseverance in clearing away the wreckage caused by the bursting of the boom would have been of more enduring benefit than a headlong pursuit of phantom prosperity.

It would be wholly incomprehensible if the United States, in spite of repeated examples, ancient and modern, of the final effects of currency inflation, permitted themselves to be dragged down. The measured doses that have been administered have already created a craving for more, and it will require a high order of courage and stamina to prevent a complete breakdown. So much has been written and said on the subject of currency inflation that it is not proposed to take up your time by repetition

In March last, banking throughout the United States was summarily suspended. Since that date efforts have been made to resume the service, but there are still locked up in institutions, closed or operating on a restricted basis, deposits totalling $2,000,000,000, a sum in excess of the total savings deposits in Canada.

LONDON, ENGLAND

The situation in Great Britain is in refreshing contrast with that of a year ago. The pound had then reached its low of $3.14½ in terms of United States dollars. Today it once again enjoys the confidence of the world. Government funding and the low interest cost of the floating debt have resulted in important savings to the Treasury. The exchequer revenue and expenditure position as at 23rd November has improved £46,000,000 over a year ago. The adverse balance of trade for ten months to October 31st at £205,000,000 has been reduced by over £31,000,000. Industry in general is expanding under tariff protection and low interest rates. Unemployment is steadily decreasing and has lessened by over 448,000 in the past year. At the same time, the cost of living has increased little, prices of general commodities having risen some 4% only during the year.

Money has been superabundant in the London market during the past year and low rates of interest continue. The Bank of England rate has held at 2% and the call money rate, which has been as low as ¼ of 1% is now about ¾ of 1% per annum. The rate for three months treasury bills has fluctuated between ¼ of 1% and the present 1%. Stock exchange securities in general and British funds, industrials and home rails in particular have appreciated considerably during the past few months. The market is held to be in a healthy condition, which, however, might become somewhat impaired should there be any substantial increase in the volume of foreign money seeking employment in London. Purchasers of gold continue willing to pay a substantial premium over the continental parity value of the metal for the privilege of having it in London.

Capital issues for the twelve months ending 31st October at £128,848,000 were some £24,000,000 greater than for the previous year. Restrictions still exist concerning the flotation of capital issues but exceptions continue to be made in favour of some empire requirements.

The extent of the depreciation of the dollar is beginning to be a cause of some concern to British exporters although they hoped that continued low prices of raw materials may remain an offset against unfavourable effects on British trade.

FRANCE

Conditions in France are in some respects less satisfactory than a year ago. A large budget deficit, already high taxation, and the difficulty of reducing public expenditure, face the country's fourth government of the year 1933. Owing to the depreciation of foreign currencies in relation to the gold franc, exports have been seriously affected and the visible adverse balance of trade at francs 8,703,000,000 (provisional figures) has increased during the ten months to 31st October by francs 444,000,000 over last year's actual figures. Unemployment has increased somewhat and income from tourists considerably reduced. On the other hand, crops have been good and general industrial production has improved some 15%.

Notwithstanding the large stocks of gold in the Bank of France and the wishes of government and public, doubts are expressed as to whether, in view of foreign withdrawals of gold which have already begun and possible internal drawings, France may not be forced to abandon the gold standard.

CONCLUSION

It is a wholesome and a healthy exercise to think optimistically, and the annuals of this Bank, the history of former depressions and present indications fully support the confident hope that normal times will return. But we must not be unmindful that Canada's prosperity is dependent upon keeping her own house in order and on the ability and the willingness of other countries to purchase her products, for we are not without competition.

Natural correctives are working toward world recovery, but many artificial barriers still impede progress. Economic and financial disruption have been brought about to no small extent by the operations of Central Banks under political influence, by excessive tariffs and quotas, by exaggerated nationalism bordering on ancient tribalism, the stoppage of free migration of peoples, distrust and selfishness, by impatience, a loss of individualism on the part of citizens and their surrender of independence in many former democratic countries.

In contrast, Canada is fortunately circumstanced in that it is a young country, with an abundance of nature's gifts, with a hardy people, self-reliant and free of traditional hatreds, and with an inspiring past and a boundless future. (Applause).

REPORT ADOPTED

The Chairman then moved, seconded by Mr. H. R. Drummond, that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders.

The report was unanimously adopted.

THANKS TO THE OFFICERS

Sir William Stavert, K.B.E., then moved, seconded by Lt.-Col. G. L. Ogilvie, that the thanks of the meeting are hereby tendered to the President, the Vice-Presidents, and Directors for their attention to the interests of the Bank.

The Hon. Thomas Ahearn, P.C., moved, seconded by Mr. W. A. Black, "That the thanks of the Meeting are hereby tendered to the General Managers, the Assistant General Managers, the Superintendents, the Managers and other officers of the Bank, for their services during the past year."

The ballot for the appointment of Auditors and the election of Directors for the ensuing year was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. Charles A. Hodgson, C.A., and W. D. Glendinning, C.A., were duly appointed Auditors, and the following gentlemen elected Directors: The Honourable Thomas Ahearn, P.C., D. Forbes Angus, E. W. Beatty, K.C., W. A. Black, the Honourable Patrick Burns, the Honourable Henry Cockshutt, A. O. Dawson, H. R. Drummond, Sir Charles Gordon, G. B. E., Harold Kennedy, J. W. McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General the Hon. S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., C. F. Sise, W. N. Tilley, K.C., Sir Frederick Williams-Taylor.

The meeting then terminated.

At a subsequent meeting of the Directors, Sir Charles Gordon, G.B.E., was elected President and Mr. H. R. Drummond and Major-General The Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents.

The Executive Committee of the Board was appointed, consisting of Sir Charles Gordon, G.B.E., Mr. H. R. Drummond, Major-General The Honourable S. C. Mewburn, C.M.G. and Mr. E. W. Beatty, K.C.

PREMIERS ASK DOMINION HELP REFUND DEBTS

(Continued from page 1)

cently elected. The new Government found itself facing a difficult financial situation. This could only have been expected, of course, in view of the struggle that the Tolmie Government had with the very same problems.

B. C. Financial Smoke

Hon. John Hart, new B. C. finance minister, started raising financial smoke shortly after his selection for the cabinet. He implied that Ottawa would be asked to "underwrite" provincial financing, and that he would attempt to refund most of the provincial debt.

Financial interests began to take more than an academic interest in the situation. In the West it began to be felt that any demand British Columbia might make on Ottawa might develop into an agitation for refunding of all the western provincial debts. Apparently Mr. Pattullo called his conference for this very purpose; to get the West to present a united front.

The underlying implications to Ottawa are: (1) that budgets cannot be balanced; (2) that financial assistance is needed; (3) that debt charges are too heavy; (4) that Ottawa should continue to lend to the West or arrange refunding of provincial debts; (5) that if this is not done some default may occur.

Financial Viewpoint

Obstacles would be encountered, it is thought, in any scheme to refund the debts of the western provinces. First, most of the bonds are payable in both Canada and the United States, although a major part of the loans may be held in Canada. Second, most of the loans are not callable, and only a small portion matures in the immediate future.

Clearly there would be the implication of external compromise or default, if all American-payment loans were refunded. Even some Canadian holders would perhaps have to be coerced into any refunding scheme. And because of the prevalence of bearer bonds it would be difficult to sort out the Canadian from the American holders. Moreover, if a refunding of non-callable bonds were attempted, some measure of coercion would probably have to be resorted to before it would be completely successful.

Method Suggested

A possible method of refunding was recently suggested to The Financial Post. First there would have to be some investigation to separate Canadian and American holders of the portion of the debts payable in both currencies. The Americans would be left in statu quo. Then a publicity campaign could be started to get Canadian holders to accept par for par of new bonds, bearing lower rates of interest, in exchange for their present holdings. If most of the bonds held in Canada were refunded by this method, then possibly legislation could be passed making it compulsory for the minority of Canadian holders to accept. This would be similar to the scheme successfully tried by Australia in refunding its internal debt.

From Our Own Correspondent

VANCOUVER.—Premier Pattullo invited the premiers of the three prairie provinces to confer with him in Victoria during December on the question of relief and unemployment. The purpose is to draft a policy for the provinces in approaching the federal government for a new financial programme under which the provinces may be relieved of at least a portion of the heavy burden they have been bearing since unemployment has become a major problem.

In the meantime Hon. John Hart, new finance minister, is trying to reduce the province's operating expenses, realizing that little aid may be expected from Ottawa unless the province is able to make its overtures with clean hands. However, Mr. Hart has little hope of balancing the budget unless provision is made for a reduction in the charges that must now be met.

The province is now faced with these unpleasant facts:

1. A deficit of some $3,000,000 for the last fiscal year ended March 31, 1933.
2. Unfunded debts of $17,000,000.
3. Curtailed revenue which already this year is $800,000 below that of last year.
4. Municipalities demanding restoration of their former grants.
5. Hospitals facing bankruptcy unless the government extends assistance.
6. Unemployment costs likely to rise during the winter.
7. Promised abolition of "nuisance taxes" and exemption of small income earners from income taxes.

BRUCK SILK MILLS EARNINGS IN 1933 REGISTER ADVANCE

Share Earnings Total $1.78 as Against 30 Cents in 1932

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills' report for the year ended October 31 last reveals a marked improvement in earnings as compared with the preceding year. Not only was gross income higher, but earnings available for distribution on the common stock were equal to $1.78 a share, as against 30 cents in the year ended October 31, 1932.

Approximately one half of the year's net profit of $178,083 is attributed to operations covering the last four months of the year. The rate of earnings during this period was considerably in excess of that for the year as a whole. The report states that while the outlook for the distant future is difficult to gauge under present business conditions, the immediate outlook in point of sales and earnings is distinctly encouraging.

Larger Surplus Forward

Comparative income statements for the past three years follow:

	1933	1932	1931
	$	$	$
Gross profit ...	477,831	306,496	292,961
Other income ..	44	......	......
Total income	477,875	306,496	292,961
Expenses	190,210	171,418	181,925
Mortgage	......	39	140
Bond interest ..	31,034	32,074	33,000
Bond disc.	2,000	2,000	2,000
Deprec.	76,504	70,706	67,744
Surplus	178,127	30,258	8,152
Prev. surplus ..	411,970	387,927	375,560
	590,097	418,185	383,712
Reserves, etc.	*37,722	*6,215	†4,215
P. L. surplus	552,375	411,970	387,927
‡Earned per sh.	$1.78	$0.30	$0.08

Note: *Debit; †Credit; ‡On 100,000 shares of no par value, before income tax.

Net Working Capital

	1933	1932	1931
	$	$	$
Curr. assets ...	471,902	430,094	431,277
Curr. liabs.	51,182	96,361	132,878
Work. capital	420,720	333,733	298,399
Current ratio ..	9.22 to 1	4.46 to 1	3.25 to 1

Financial statement as of October 31, 1933, shows a general improvement over that at the end of the same month last year. During the year over $100,000 was spent on additions and the plant account now stands on the books at $937,717, up from $895,262 in 1932. Current assets are higher by $41,000 at $471,902, while changes in other items are relatively unimportant.

Among liabilities, current accounts have been reduced from $96,361 to $51,182. Funded debt has been cut $14,100 to $463,600. Discount on bonds redeemed has been transferred to the contingency account which now stands at $14,162.

There is no change in the issue of common stock, while the surplus account has increased from $411,970 to $552,375.

Repeal in U. S. Opens Market Can. Whisky

Official ending on December 5 of the 14 years' experiment of the United States nation-wide prohibition still leaves wide open for speculation and determination the scope of export open to the 30,000,000 gallon surplus of matured alcohol which Canada has available for United States consumption. All Canadian distilleries have been busily shipping whatever whiskies they have been permitted to ship for medicinal use and now it will go legally under the various quotas, customs and other regulations which have developed. Logic of events favors admission of Canadian supplies on generous scale to meet needs of United States blenders.

Actual duties are set until Congress meets, but the inflow can be regulated by quotas arranged under the policy of using the United States demand to dicker for trade advantages for the United States. This bait has been made much of in papers of this continent and in England.

It is felt quite likely that whatever advantage may accrue to exporters will last only until the United States distilleries are able to supply all demands.

DRYDEN PAPER EARNINGS DOWN OUTLOOK BETTER

Fails to Show Interest Earned—Carries Deficit Forward

Earnings from operations of Dryden Paper Co. dropped to $18,459 in the year ended September 30, 1933, as compared with $56,995 in 1932 and $77,940 in 1931. Income from investments was up to $14,028 from $12,384 providing net earnings of $32,488 which were insufficient to cover bond interest of $88,460 and exchange on U. S. funds of $11,265. As a result the company had a loss of $67,235 as compared with loss of $33,258 in 1932. Sinking fund provision amounted to $15,900 and a new item, write-off on inventory, took $66,550 so that deficit of $149,687 exceeded surplus of $119,492 carried forward from 1932. In the three months ended October 31, 1933, the company had a small profit after bond interest.

It is reported that there is some improvement in the consumption of paper and a more hopeful outlook for the sale of kraft paper, the company's principal product. This situation is in contrast to the conditions prevailing in the early part of the last fiscal year. Income and surplus account is as follows:

Income and Surplus Account, Years Ended September 30

	1933	1932
	$	$
Oper. prof.	18,459	56,995
Other inc.	14,028	12,384
Net earn.	32,488	69,379
Bond int.	88,460	89,400
U. S. exch.	11,265	13,237
Net prof.	*67,237	*33,258
S. F. Prov.	15,900	15,000
Invent, w.o.	66,550	......
Balance	†149,687	†48,258
Prev. surp.	119,492	167,750
P. & L. bal.	†30,195	119,492

* Net loss. † Deficit.

Working capital is down to $567,149 from $709,786. Cash is slightly higher at $22,999; investments are down to $177,855 from $197,447; accounts receivable are down to $78,281 from $87,959 and inventories are down to $326,414 from $447,140. There is a slight decline in current liabilities with accounts payable at $22,548; accrued interest at $14,690 and accrued charges at $1,162. Inventory of wood was written down during the year from cost to replacement value.

Working Capital at September 30

	1933	1932
	$	$
Curr. assets	605,550	751,370
Curr. liabs.	38,401	41,584
Work. cap.	567,149	709,786

Land, water developments, plant and buildings are carried at $4,999,601 and timber limits at book value of $2,248,587. There remain outstanding $1,426,000 of 6 per cent first mortgage bonds. Capital remains at $5,400,000. Deficit of $30,195 replaces surplus of $119,492 shown in 1932. Depreciation and depletion reserve is up to $1,043,746 from $1,027,847 but since the company has not cut on its limits since 1930 there has been no depletion reserve provided since that year.

U. F. CO-OP. SHOWS NET EARNINGS UP LOANS REDUCED

Net Profits Total Dragged Down By Creamery Branch Deficit

The United Farmers Co-operative Co. financial statement to be considered at the annual meeting in the King Edward Hotel on December 12, chronicles improvement in some departments but still shows no earnings available for dividends. It does show net earnings at $64,237, including creamery royalties, for the year ended September 30, 1933, as compared with $6,519 in the preceding year, and a surplus would have been attained by dint of reversing the dividend of $45,000 which had been declared and transferring the $18,584 remaining in the general reserve if it had not been that the net operating deficit for the year from the creamery branches increased from $34,483 in the preceding year to $61,747 last year and had to be deducted. The net result of all these bookkeeping transactions is that the deficit was reduced during the year from $79,553 to $12,941.

INCOME AND SURPLUS ACCOUNT
Years Ended September 30

	1933	1932
	$	$
Net earnings	†64,237	10,977
Add: Liquid. surp. Ont. Grain Pool	...	1,882
Less: Livestk. pool org. exp. w/o	...	3,450
North Bay Creamery organ	...	1,890
Inc. tax res.	...	1,000
Net profit	64,237	6,519
Prev. deficit	79,553	52,322
Add tax adjust.	...	2,996
	*15,316	*42,807
Div. reversed	45,538	...
Gen. res. trans.	18,584	...
Trans. to gen. res. ...	...	2,263
Net oper. def. cream. brs.	61,747	34,483
Deficit forward	12,941	79,553

* Deficit.
† Including creamery royalties.

Both current assets and current liabilities were reduced during the year, as shown by the following table:

Working Capital

	1933	1932
	$	$
Current assets	427,436	493,236
Current liabilities	373,021	450,766
Working capital	54,415	42,470
Ratio	1.14—1	1.09—1

Cash was low at $3,129 accounts receivable decreased in the year from $165,158 to $141,232 and merchandise inventories from $302,408 to $266,194. Net bank over-draft dropped in the year from $79,064 to $50,334 and secured bank loans from $287,080 to $263,782. Accounts payable fell from $74,565 to $47,934.

Capital assets of $614,171 ledger value have been written down to $334,037. Deferred liabilities include $79,262 covering first mortgages at Guelph, Galt, Wingham, Renfrew, Arnprior and Cobden, the Buflovak Co. of Canada and the first mortgage bonds of Burgessville Grain Elevator. Balance sheet valuation of 70,060 no par value common shares is $348,768.

The auditors' certificate of adequacy and correctness of the figures is given with the qualifying phrase, "Subject to the remarks contained in our detailed report of even date." Without an inkling as to what these remarks are, the real opinion of the auditors cannot be gleaned.

Sise Elected to Board of Bank of Montreal

From Our Own Correspondent

MONTREAL. — Charles F. Sise, chairman and president of the Bell Telephone Co. of Canada, has been elected to the board of directors of the Bank of Montreal.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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John Hart Controlling Br. Columbia Money

First Big Job of Pacific Coast Veteran Is Huge Refunding Loan

By CHARLES L. SHAW

Old John Oliver was a severe taskmaster when he was premier of British Columbia. He set a fast pace for his cabinet and demanded that they toe the line; and old John was the sort of man you couldn't ignore. His ministers took his suggestions as commands, and obedience to the venerable premier was accorded as a matter of course.

There were times, of course, when Premier Oliver was difficult. He liked to have things done just so and if they weren't he wasn't slow in demanding an explanation. Every other day his ministers or higher officials were summoned to Oliver's office and asked for their reasons for doing or not doing this or that. At times it was irksome, but no one ever complained—that is to say, hardly ever.

In Financial Business

One of those who did stand up to the premier was John Hart, the young man who had been given the portfolio of finance after the death of Ralph Smith, the veteran Liberal politician who was as much a master in certain circles as John Oliver was in his.

Mr. Hart had had financial training. As early as 1903 he had entered the insurance business in Victoria and six years later had formed a general financial business in the British Columbia capital. Oliver, a pioneer farmer, with an amazing flair for politics, prided himself on his knowledge of public finance. No one will deny that Oliver did have a remarkable grasp of the subject, but Hart was the minister of finance and not Oliver. Eventually came the day when Hart told his chief precisely that.

No Right to Dictate

Hart did not mind suggestions, but he did protest when Oliver assumed the right to dictate.

"If I am minister of finance I am responsible for the province's financial policies," Hart told the premier. "If I can't run my department in my own way you can have my resignation."

Taken aback, Premier Oliver hesitated a moment before replying. Then he roared with laughter. "I don't want your resignation," he said, and strode off, leaving young Mr. Hart with the inference that from now on he was boss of his department. Never again did Oliver attempt to run the financial end of the Government's business, although his advice was usually invaluable.

Back After Nine Years

Hart was minister of finance from 1917 until April, 1924, when he retired to give all his time to his private affairs. But now he is back again in his old office and at his old job—planning the financial policy of British Columbia as minister of finance in the new Pattullo cabinet.

Nine years older than when he last held office, Hart is still on the sunny side of sixty and, according to his subordinates, he is just as alert as in the old days when he was winning his reputation in eastern banking houses as the brightest finance minister British Columbia had had in generations. His hair is whiter now, although few of his friends can remember the day when his hair was anything but nearly white. In fact, it used to be a saying around the parliament buildings that "Jack" Hart was the "white haired boy of the Government."

Needed John Hart

Incidentally, Mr. Hart is the only member of the Old Guard, with the exception of Premier Pattullo, to join the "new deal" cabinet. Pattullo may have made some enemies when he passed over several former cabinet ministers in drawing up his new ministry, but he made friends when he decided that in times like these he couldn't get along very well without the safe and reliable John Hart, with whom provincial finances had been a hobby as well as a business for so many years.

Well, Hart will need all his knowledge and his experience to meet British Columbia's financial situation now, and no doubt Skipper Pattullo as he scans the economic skies feels comforted in the knowledge that he has a tried helmsman at the financial wheel as the ship of state rides into the storm.

Refunding Programme

Hart didn't wait long before plunging into a bold programme of financial rehabilitation. He proposed a refunding loan to carry the province's obligations—probably the biggest single loan of its kind ever to be undertaken by a Canadian province.

"To deal with our enormous $12,000,000 annual debt it will be necessary to embark on a refunding scheme, probably on the London market, and the investors will be asked to accept a lower rate of interest on B. C. bonds or take their money dollar for dollar," said Mr. Hart in announcing the major point in the new financial policy. And he added:

"I'll promise you that there'll be no repudiation and no default before every effort we can make has been exhausted to the limit to find a solution for the problem, and my colleagues are with me in this.

"I'm still convinced that British Columbia is the richest province and it deserves a square deal. I pledge my party to balance the budget and restore confidence and prosperity in the province."

Something of Politician

As well as being an able financial administrator, Hart is a skilled politician. He could not resist the opportunity of turning the somewhat alarming situation which he found on taking office into a political rebuke against the previous administration.

"Do you know that I would have to sell $17,000,000 worth of bonds to cover up the recklessness and incompetence of the late administration, and then there would not be a penny left for new expenditures?" said Mr. Hart a few days after taking office. Signed cheques to the total of more than $300,000 had been left unpaid because there were not sufficient funds to meet them, he said. The sinking funds of the province were short to the extent of $3,100,000, he claimed. There were credits of $731,418 to the superannuation fund and $231,976 to the teachers' pension fund, but no cash in the treasury to meet them, except for $46,418 in the teachers' fund. Mr. Hart maintains that the gross debt of the province is nearer $166,000,000 than $159,000,000, which was the claim of the previous Government.

HON. JOHN HART

Hails From Ireland

A native of County Leitrim, Ireland, where he was born 57 years ago Hart came to Canada as a youth and was given a job as clerk in a Victoria insurance house. His shrewdness pushed him ahead and in a few years he was able to go into business independently as a partner with the late Major Hebden Gillespie. In 1910 E. D. Todd joined the firm and the now well-known firm of Gillespie, Hart & Todd, now known as Gillespie & Hart, was organized.

In 1916 Hart first became conspicuous in politics by managing the provincial campaign of the Liberal party. The result of the election was a landslide victory for the Liberals. Hart was elected as one of Victoria's four members. Soon after the new Liberal Government took office Ralph Smith, Premier Brewster's original finance minister, died, and Hart was called on to take the post, which he retained until voluntary retirement in 1924.

Financed During War

Mr. Hart's adroit financing of British Columbia during war-time is still well remembered. During the war British Columbia needed funds badly, but the money market was high. Eastern bankers advised the province to take its chance and issue bonds on the market as it stood.

"You won't get a very high price for your bonds and the interest will be pretty stiff," the bankers told him. "But you'd better take your chance now. Conditions may be worse later on."

Mr. Hart, however, had things sized up differently. He cautiously withheld the bond deal, flouted all advice, and waited for the market to pick up, which it fortunately did. British Columbia eventually got a good price for her bonds. Indeed, it has long been the boast of Mr. Hart that he always got a good price.

In a few weeks Mr. Hart will embark on the biggest undertaking of his career—the refunding programme which, before it is completed in one way or another, may assume national significance as a political and financial venture.

Use Truck Power Brakes On 1934 Passenger Cars

Utilization of the power braking system for passenger cars will be one of the features of the General Motors line of products for 1934, it is reported. This power braking system will likely be similar to that installed in the 1933 Studebaker and in use for a number of years on large trucks. Simply, the system consists of the use of compressed air to apply the brakes. The result is that brakes can be applied by only a very slight pressure on the brake pedal.

From Tilbury comes the report that Hudson-Essex will introduce a line fitted with independent wheel suspension. As far as can be ascertained this system will differ quite considerably from that to be used by General Motors. The Essex wheel suspension will be accomplished by having the axles split into three sections, the sections joined by ball bearings and attached in such a way that forward or backward sway is impossible but allowing freedom in up and down movement. General Motors system, it is understood, utilizes a series of coiled springs, but details are not available.

Public Works and Employment in Canada

There is Plenty of Work to be Done but the Question is Who Should Start It and Who Can Afford to Pay for It—Role of Private Enterprise is Important

If we accept the premise that no great depression was ever ended without a revival of construction and the so-called capital goods industries, the question still remains as to how the construction industries are to be given their initial impetus. Should governments, by public works programmes, take men off the dole and get business moving again? Or would such expenditures by governments tend to injure confidence in public credit and thus slow down the activities of private enterprise?

In a previous article a number of points were made clear. In order that the reader, who did not study fully the article in the issue of December 2, may carry on from here, these points are summarized:

1. There are about 700,000 unemployed workers in Canada.
2. Public relief will cost $7,500,000 a month this winter.
3. The case for public works rests on two arguments; first that it is better to give men work than to pay them a dole; and second that since the state of business confidence is low governments must start trade moving again by spending money in the capital goods industries.
4. Canada has tried public works and been forced to largely abandon the policy because of the difficulty of financing such a programme. A modest programme is now going forward and the Prime Minister promises further consideration in the spring.
5. The British government is opposed to large scale public works as a business stimulant but nevertheless is carrying on with a sizeable programme.
6. The United States has enthusiastically taken up public works as an antidote to depression.
7. The construction industry in Canada is running at only about 12 per cent of capacity.

The following article concludes the discussion by covering the following points:

The work to be done in Canada.
Present costs of construction and the labor side of the question.
The problems of interest rates and of financing State programmes.
The investors' interest.
Is private enterprise the real solution?

The Work to be Done

Nearly $400,000,000 of building and engineering works have been seriously considered but deferred since January 1, 1930, according to a comprehensive coast to coast survey made by the National Construction Council. Other authorities would place the total at an even higher figure and J. M. Piggot, in a recent address before the Canadian Chamber of Commerce in Ottawa, estimated the total at $500,000,000. Mr. Piggot estimated that of this total $100,000,000 would be in federal and provincial work which could properly be carried on at the present time; $100,000,000 would represent private projects held up through inability to obtain financing at reasonable rates; from $200,000,000 to $300,000,000 would represent federal, provincial and private work not justified at the moment but which would be justified shortly with return of demand for space; while $50,000,000 would represent housing shortage existing but not presently in demand.

On the basis of the National Construction Council's figure of $400,000,000, $225,000,000 is the estimated cost of engineering projects pending, the bulk of which would be in the nature of public works. Building would account for some $175,000,000 of which $26,000,000 would be federal; $16,000,000 provincial; $28,000,000 municipal and $105,000,000 private. Classification of the work which has been held up is as follows:

	Engineering $	Building $
Maritimes	9,093,767	6,425,866
Quebec	76,263,733	53,419,835
Ontario	74,154,000	96,285,666
Manitoba	16,105,267	2,109,667
Saskatchewan	15,137,033	4,788,166
Alberta	5,826,833	2,488,734
B. Columbia	2,816,500	7,094,567
	199,396,833	172,612,499

Some Sound; Some Not So

The above figures were compiled from the returns from a questionnaire sent out to the Boards of Trade of all the larger Canadian municipalities as well as architects, engineers and contractors. While both non-productive and self-liquidating engineering and building projects are included, a substantial amount of building has been eliminated that had been proposed but which was not sound. Much of the work that is represented by the total of $400,000,000 has been carefully considered over a period of years and plans and estimates have been prepared. On such projects work could be started within a very few weeks or months providing financing could be arranged. Many of the projects could not be completed within a year; some within five years.

The public works include a wide variety of public buildings such as armouries and post-offices and office buildings. Many municipalities need new or improved sewerage and drainage systems, water systems, paving, municipal buildings of various kinds. Highway construction, the improvement of harbors and canals, railway facilities and grade crossings are also important items. On a number of these items it is estimated that savings could be made such as in the case of the construction of an armoury in Ottawa where present rentals are estimated to exceed by $15,000 annually the carrying charges on a new building.

St. Lawrence Waterway

One notable exception from the list of engineering and building works that the National Construction Council has compiled is the Canadian section of the St. Lawrence waterways development plan which would entail expenditure of $145,000,000 by Canada alone over a period of ten years. Given the approval of the two countries concerned, this work could be started almost immediately and would be the largest single item in a public works programme. Another type of work would be the matter of flood control such as has been proposed for the Grand River in Ontario, a project for which preliminary plans have been drawn but which has been postponed for lack of financing. This particular type of work might call for some amount of reforestation as well as the construction of dams and other construction work.

Reforestation Work

Forestry experts doubt whether a wholesale plan of reforestation in Canada is either desirable or feasible in connection with a national programme of public works. In connection with flood control projects a certain amount of reforestation could be done but the amount of nursery stock available in Canada is limited and planting operations would necessarily be limited to the supply on hand. Each provincial forestry department has a certain amount of work that has been postponed for lack of funds and there is the possibility that employment could be given to experienced woodsmen in burning up slash, elimination of other fire hazards, the building of trails and roads and the extension of present communication systems in the forested areas. While there is ample opportunity for experimental work in forestry in Canada such work could only be done by technically trained men and the amount of unskilled or semi-skilled labor needed would be quite small.

To-day's Building Costs

Is it cheap to build now? Have wages and materials declined sufficiently to warrant private capital, where available, proceeding immediately to put up new structures, and perhaps get some work in ahead of a coming price rise?

Difficulties arise in attempting to answer the question. The union rate of wages, for instance is still high. But while the union holds out for the scale on large jobs, members of the union find a way to get around the scale and to work for less, when they are employed individually on small jobs. In some cities the minimum wage specified in city contracts has not been reduced at all. In Toronto, it still remains 60 cents an hour.

Some Key Factors

Here in brief are the key facts regarding building costs and wages:

Wholesale prices in Canada have declined 34 per cent from 1926.

The cost of living has come down 22 per cent.

The cost of building materials has come down 19 per cent.

Wages of skilled workers generally are practically unchanged.

Official wage scales in the building trades have declined 7 per cent.

Prices generally have increased somewhat since the spring of this year but the above percentages allow for that increase.

Even in Toronto where the unions are well organized, the official rates have come down more than is indicated by the general average of wage rates throughout the Dominion. The unions admit themselves though that these rates would not last very long if there was any volume of work to be done. The construction industry is very demoralized at the present time and one cannot depend on wage scales with any degree of certainty. If there is any improvement at all, the present wage rates and present conditions of employing labor would tighten up almost immediately. So, at least, business firms withholding building programmes feel.

Much Work Done Cheaply

On the other hand, there is no question but that work done at the present time through the ordinary construction channels (that is, apart from public relief work) is able to take the pick of craftsmen in any particular line and undoubtedly much small work is being done cheaply and well at the present time.

With practically no business to be had, the situation is pretty well out of hand in most parts of the country and union men do not deny that much work is being done at low wages. This has strengthened rather than weakened union control for the future. As soon as any volume of work appears the unions will re-assert themselves immediately.

Summing up, it would seem that the official wage scales to builders, which would be paid by Governments and by large corporations, are still high and have shown little deflation. This is not true of the majority of small residential and commercial jobs now being done in Canadian cities and towns for in many cases wages paid workers on this type of job are only a fraction of the standard rate.

Question: Is it reasonable for the building industry to urge that costs are at rock bottom when the standard which would be applied to most big jobs, if they were to materialize, is still so high?

Costs of Materials

Building material costs have not been deflated as much as prices generally but they have been quick to see the rising price trend and as they stand they are now even more out of line with wholesale prices generally.

One thing which is holding up costs in the industry so far as some firms are concerned is the important changes and advances that have been made in the past year or two.

Air conditioning, is typical of these. If it is not installed in a new building the structure may be obsolete in a few years. On the other hand some prospective builders fear, first, that air conditioning may be greatly improved shortly, and, secondly, that cost of its installation may soon take a big drop.

But, of course, if the rapidity of scientific improvement in building construction is a factor that is holding back some building programmes, it is on the other hand an assurance of great activity to come.

For as rapidly as present buildings become obsolete, new ones will replace them.

Interest Rates and Public Debts

Financing of any new programme of public works in Canada is rendered difficult by the already heavy expenditures and debts of governments in this country. Between 1928 and 1932 the entire national income decreased about 50 per cent, while governmental expenditure on current account rose 23 per cent. So that 35 per cent of the country's total income was absorbed by taxation in 1932.

Also the debts of the governments in Canada are already as large as they seem able to carry; in some cases too large for the taxpayers to bear. The funded debt of all Canadian municipalities, the provinces, the Dominion and the C. N. R. is over $6,000,000,000, about $600 for every man, woman and child in the country. There is also the vast sum of private debt. And this burden has increased tremendously in its real effect because of the decline of prices and incomes in the last four years.

Where is Money?

Where is the money to come from? In western Canada neither the municipalities nor the provinces are in a position to increase their debt substantially. The provinces already are carrying substantial unfunded debt because they have been unable to market more than moderate-sized bond issues. Western cities have hardly been borrowing at all, largely because money markets do not regard their securities favorably. Numerous eastern Canadian municipalities have encountered financial difficulties although their basic sources of revenue are more diversified than those in the west. Even some of the larger eastern cities now realize that they are in no position to add substantially to their debts. Montreal's finance committee has presented a disconcerting report on civic finances. Toronto has only $10 or $12 millions statutory borrowing margin on the basis of assessments and these are shrinking. Only a few smaller, thriftier municipalities are in a position to borrow freely, and most of them prefer to keep their taxes down.

Diminishing returns from taxation in municipalities, provinces and the Dominion indicate the truth of Mr. Bennett's admission of last spring that "we are dangerously near the limits of taxation in this country." Evidence of this can be seen in accumulating tax arrears in some of the leading cities of the Dominion, in smaller revenues on provincial taxes, in failure of heavily increased Dominion taxation to produce nearly the estimated increases in revenue.

Difficulty of Borrowing

It appears that most of our Canadian governments could not assume much heavier debt burdens to finance public works and remain safely within the realm of solvency. And in some cases they would have difficulty borrowing money to finance works even if they would. The absorptive powers of the Canadian bond market are limited. At times last year borrowing was only possible at prohibitive rates of interest. Large scale borrowing in the Canadian market is considered by experts to be uncertain of success. So much of the credit of our governments has already been used during the depression to finance deficits, relief and public works.

It appears, therefore, that borrowing to finance public works is possible only on a very moderate scale within Canada. Could we borrow abroad? The London market is closed to new issues, although Canada was allowed to borrow £15,000,000 last summer. There is no indication that the British market would be opened for the purpose of financing our public works. The United States market has proved somewhat unsatisfactory to Canadian borrowers in the past. The American Securities Act would hamper and delay financing in New York. Moreover the disturbed condition of currencies would perhaps serve as a barrier to new financing abroad. In present circumstances, therefore, it would appear difficult for us to borrow for public works on a large scale either in Canada or elsewhere.

If loans were obtained, there would be created the problem of repaying them. Taxation or revenue from the works would have to be expected to pay off the loans. In the past revenues from public works in this country have been chiefly noticeable for their absence. There is little reason, on past experience, to suppose that new works could be devised which would pay their cost in full. So taxation might have to be raised to pay off borrowings. Since taxation already taxes over one-third of all the income in the country, this would indeed be a serious problem.

One means by which public works might be financed would be an all-round reduction in the interest rate structure in Canada. Australia did it. If the burden of present indebtedness were to be lightened by, say, 20 per cent, by arbitrary reduction of all interest rates, then a portion of this relief might be devoted to new borrowing for public works construction. There are, however, contractual and constitutional obstacles to be overcome before interest rates could be cut en masse. The hope of those who advocate lower interest rates is that balanced budgets and better government credit in Canada and abroad would result. This was accomplished by this device in Australia and largely by similar means in Great Britain. But as yet those countries have not seen fit to expend the benefits in widespread public works programmes.

Cheap Money Necessary

In the cost of construction of public works, the interest paid on borrowed money would be one of the chief factors. The cost of the works would depend in a large degree on the cost of the money. Now it has been shown statistically that the cost of money in Canada has not come down nearly as much as the cost of materials. Therefore unless interest rates were cut, the works would be costing us more than they should to make them paying propositions. Cheap money is conceded to be a prime necessity to allow even hopes that capital works construction might be able to earn its keep.

If, therefore, works were undertaken, with money borrowed at excessive rates, it would perhaps be necessary to amortize most of the cost of construction from taxes. It would amount to borrowing at pre-depression rates with only the expectation of depression revenues to pay the cost of the money.

Dangers of Interest Cut

There are dangers in any proposals to use credit created through reduction of interest rates to add to debts by starting public works. There is the danger that artificially favorable conditions for borrowing might bring on a speculative boom. And there would be the possibility that governments might again start to borrow themselves practically into insolvency. It is axiomatic to say it is easier for governments to undertake to repay borrowings than it is for them to do it.

Canada is a debtor country. We have not been able to borrow all the money required for new development from Canadian investors. We might be able to borrow more at home if the interest structure were lowered. But we might also be better able to borrow abroad. The task of repaying the borrowings would be lightened in comparison with what it would be if interest rates were not cut. But whether the dangers of overborrowing and speculation could be avoided is conceded to be doubtful.

In connection with the financing, the important point is that responsible public works advocates stress the importance of a balanced budget as a foundation. In Canada we have had so many unbalanced budgets that practically the same thing as public works, namely overspending, has been in practice for several years. And although this overspending has not been entirely for public works, it has depleted our credit resources just the same, as most practical authorities agree.

The Investors' Interest

Undertaking of any large programme of public works by Federal, provincial or municipal governments would prove of the greatest help to numerous corporations in which the public has a large investment interest. Over the last two years, these concerns, normally providing employment for many thousands of workers and buyers of large quantities of construction materials, have been forced to carry on with skeleton organizations.

All those companies directly or indirectly in construction work are in a position to take immediate advantage of new work. They have the plant facilities and equipment necessary for the carrying out of any major work programme. These facilities, however, have been lying idle over the past 24 months despite efforts made to drum up new business.

Many Would Benefit

The volume of employment and money put into circulation by companies engaged in the construction business is difficult to compute. Under normal circumstances many thousands of men are engaged in building operations of one kind and another. And unlike many other lines of industry, a good deal of the money spent on construction eventually finds its way to the worker.

Companies that would benefit from the institution of any major construction programme are too numerous to mention. If the work was widespread thousands of small local contractors across the country would participate. In the larger field, there are operators such as Dominion Bridge Co., Canada Cement Co., Building Products, Gypsum, Lime and Alabastine (Canada), Foundation Co. of Canada, Geo. A. Fuller Co. of Canada, Anglin-Norcross Co., E. G. M. Cape Co., and others.

List is Diversified

In the paint field there are such companies as Sherwin-Williams Paint Co. of Canada, Brandram Henderson Ltd., etc. In the specialty field, there are several national operators including Robert Mitchell Co., Dominion Engineering Works and others.

Activities of these companies, in turn, works back into a widely diversified list of industries. They are, in the main, the principal buyers of structural steel, lumber, non-metallic structural materials, and a host of other products used in construction work.

The Role of Private Enterprise

Of all the lines of argument that are presented in favor of a programme of government public works as a means of helping pull the country out of the depression, the one requiring closest attention, would be expressed something like this: Canada has always been a growing country. Her organization is geared to growth, to the continuous provision of increasing quantities of capital goods, railways, canals, houses, roads, sidewalks, churches, schools and business structures. So large a part of our population is normally engaged in providing for the growth of the country that growth is a condition of life. Not until the men who are normally engaged in producing capital goods are again at work at their normal occupations can we hope for anything approaching normal conditions of business. Getting them back into their normal occupations is in itself to re-establish some of the conditions necessary to recovery.

But it is Not Enough

But any possible programme of public works falls far short of restoring the normal activities of the men in question. A portion of them have always been engaged on works of a public nature, but a much greater proportion in the provision of capital goods required for business or for personal reasons. A public works programme, to the extent that it raises costs of construction, or to the extent that it creates apprehension of increasing tax burdens, or to the extent that it alarms either prospective borrowers or prospective lenders of money for capital construction, necessarily tends to defeat its own object. If it is based on borrowing it provides an increased outlet for investable funds in government securities, the rate of interest on which is automatically raised by their increase in volume, while concurrently rates of interest on commercial obligations tend to be driven up.

What Can be Done?

One is driven to ask, therefore, what can be done to stimulate a normal demand for capital goods, or if anything can be done in that direction?

The obvious answer is a restoration of confidence in the future.

Men commit themselves to the purchase of capital goods when they have sufficient confidence in the future to believe that they will be able to repay money borrowed for the purpose, or that they will not be crippled in the future by diversion of their own funds to that purpose. They are willing to erect shops and machinery when there appears to be a chance of making money out of them in the future, and to build houses and furnish them when there is a prospect that they will either be able to enjoy these in the future, or sell them, if required. They are willing to lend money for the purpose when they are confident of receiving their interest, and of ultimately being repaid. All the government has to do therefore, is to re-establish confidence in the future, and the capital goods industries will begin to take care of themselves.

Confidence Not Enough

Unfortunately, the prescription is not an easy one to compound, and the part government can play in compounding it is very limited. And requisite as confidence is, it is not enough, and if not soundly based, can be harmful. A swimmer will hardly get five yards without some degree of confidence in his own ability, but all the confidence in the world will not enable him to swim a mile without something to back it up. Perhaps we should not expect governments to establish confidence in anything except the ability of government itself, in the soundness of government finance, and in that of the monetary unit. Balanced budgets have been talked of to the extent of boring many people, but it is still a fact that a balanced budget is a most important element in confidence.

Currency stability is a desirable thing, for not only does the prospect of fluctuating exchanges prevent business being done, but it tempts into speculation in exchange and keeps in the short term money market a great mass of restless capital which might well be forced into permanent investment under other conditions.

Lower Rates of Interest

A declining rate of interest on government obligations is almost a requisite toward impelling investment in capital goods. So long as the mass of long term government obligations continue to increase, just so long will governments deprive themselves of the low rates which might be obtained on a smaller quantity of obligations, and so long will funds which demand a substantial return be diverted from ordinary uses.

If there is one field in which direct government encouragement of enterprise has a better justification than elsewhere it is in the field of housing. Canada may be overbuilt with railways, she may have roads adequate to her needs, and head office and branch bank buildings sufficient for some time to come. There may be as many automobiles and as many filling stations as the reasonable requirements of the population dictate. There may be saturation in the radio and in other fields. But tens of thousands of Canadian families could use more and better housing than they now have, and would be glad of a chance to use it. That is true not only of people in the slum and semi-slum areas, which exist in all communities, from the large cities down to the small town, and not only of people on small incomes, but also of better districts and of people regarded as having comfortable incomes. On the whole, we are perhaps better supplied with motors, with garages and with roads, than with housing. In good times the building of more and better houses goes on to a tremendous extent, and is in fact one of the greatest industries of Canada. Now, it has fallen to almost negligible proportions. Re-establish it, and the capital goods industry will have made great strides. More than that, capital investment will be going into something that is definitely required, and not something that might be worse than useless, and an actual burden.

What Can Country Do?

No one will suggest that the government itself should build houses, but many do suggest that cheap money might be supplied, and tax exemptions arranged for in order to stimulate private enterprise. But here again there is danger of producing an effect contrary to the one desired. It is difficult to be sure that houses built through such means might not prevent an equal, or a greater number of houses from being built through ordinary means, if not at once, at least in the near future. Government borrowing for such a purpose perhaps sends up the basic rate of interest as much as the direct lending tends to lower it. Tax relief in one quarter perhaps makes tax burdens heavier elsewhere. New structures forced into existence may depreciate the value of existing structures, and impair the security for existing loans.

But at least governments might consider one angle of the tax question. It is possible that the present method of taking care of relief costs, divided as they are between the Dominion Government, provinces and municipalities, is placing so great a burden on real estate as to prevent investment in buildings to an extent that otherwise might be possible. They might too consider the effect of various measures of debt relief legislation passed by the province. It is possible that these laws are preventing the lending of money that might otherwise be lent, and the exaction of higher rates of interest.

One would prefer to find, as some people profess to find, an easy cure for depression by some such simple formula as increased government spending, or government action on currency. But the more any specific palliative is examined and analyzed, the greater is the doubt that the disease is to be cured by attempting to dispose of specific symptoms. The greater is the doubt that the consequences of government action are either so harmful or so beneficial as it is natural for politicians to assume. There are diseases of the body in which care and good nursing may save the patient's life, but where the cure is not to be advanced by a single day by anything the doctor may prescribe. Time and Nature are the real healing agents, and perhaps these must still be counted on, as in former times for the economic cure. In the meantime, perhaps the best the doctor and the government can do is to keep, as best they can, the patient's head cool and his feet warm.

Non-Ferrous Industries Production Down 28 p.c.

Manufacturers of non-ferrous metals had production valued at $152,111,317 in 1932, a decrease in value of 28 per cent below value of production in 1931 and 39 per cent below value in 1930. Included in this group are seven separate industries which operated a total of 452 factories. Capital employed by the group dropped to $272,045,441 in 1932 as compared with $318,395,983 in 1931. The number of employees dropped to 26,704 from 34,414; salaries and wages to $32,755,103 from $406,111,373 while cost of material at works was down to $67,934,940 from $95,342,788.

Most important of industries in the group is the smelting and refining of non-ferrous metals with a production valued at $76,442,076 or 22 per cent below the 1931 figure. Second in importance is the electrical apparatus and supplies industry with production valued at $53,264,918, a drop of 35 per cent from the 1931 total. Value of production of brass and copper products is shown at $9,594,115; of jewellery and silverware at $6,118,871; lead, tin and zinc products at $3,498,049; aluminium products at $2,703,212 and miscellaneous non-ferrous metal products at $490,076.

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MANUFACTURERS' AGENCY HAVING established territories Vancouver and British Columbia requires reliable lines. B.C. Representative. Departmental, Christmas Toys and Novelties, Miners' Clothing, Shoes, Ladies' Ready-to-Wear, Hosiery. Forward Travellers Samples to Dunsmuir Agencies, 500 Dunsmuir St., Vancouver, B.C.

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FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

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BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to ensure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th December, 1933, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 2nd day of January, 1934, to shareholders of record of the 20th December, 1933.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 16th November, 1933.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 9th day of January next. The chair will be taken at 11.30 o'clock a.m.

By order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 24th November, 1933.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 11th day of January, 1934, at 11 o'clock a.m.

M. W. WILSON,
General Manager.

Montreal, December 1, 1933.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of

EIGHT PER CENT PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fifteenth day of December, 1933.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, November 22nd, 1933.

SISCOE GOLD MINES

LIMITED

NOTICE OF DIVIDEND AND BONUS

NOTICE is hereby given that a Dividend of Three (3c) Cents per share and a Bonus of Two (2c) Cents per share on the issued Capital Stock of the Company has been declared, payable December 30, 1933, to Shareholders of record at the close of business December 15, 1933. Stock Transfer Books of the Company will be closed from December 16 to December 30 inclusive.

By order of the Board

H. E. GREEN,
Secretary-Treasurer.

Montreal, November 17, 1933.

Canadian Car & Foundry Company Limited

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Canadian Car & Foundry Company, Limited, will be held at the Head Office of the Company, No. 621 Craig Street West, Montreal, on Thursday, the 21st day of December, 1933, at 12 o'clock noon, to receive and consider the Annual Statement of the business and affairs of the Company, for the election of Directors, and for the transaction of such other business as may properly come before the meeting.

By order of the Board.

A. C. BOURNE,
Secretary.

Montreal, December 4th, 1933.

DIVIDEND NOTICES

UNITED GOLD EQUITIES OF CANADA LTD.

Notice is hereby given that the Board of Directors has declared an interim dividend of 5%, payable on all of the outstanding shares of the company on January 15, 1934, to shareholders of record January 1, 1934.

JOSEPH BURKE,
Sec.-Treas.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 36

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending December 31st, 1933, payable January 15th, 1934, to shareholders of record at the close of business on December 30th, 1933.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, November 28th, 1933.

DIVIDEND No. 25

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons, Limited
Gooderham & Worts, Limited
Distillers & Bottlers in Bond

NOTICE is hereby given that quarterly dividend (No. 25) of twenty-five (25c) cents a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Capital Stock of this Company.

This dividend is payable December 15, 1933, to shareholders of record at close of business November 25th.

By order of the Board,

FLETCHER RUARK,
Secretary and Treasurer.

Walkerville, Can., November 20, 1933.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 56

A DIVIDEND of one and one-half per cent (1½%) on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending December 31st, 1933, payable January 15th, 1934, to shareholders of record at the close of business on December 20th, 1933.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, November 24th, 1933.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar ($1.00) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending December 31st, 1933, payable January 2nd, 1934, to shareholders of record December 15th, 1933.

By order of the Board.

L. P. WEBSTER,
Secretary.

Montreal, November 27th, 1933.

The Ontario Loan and Debenture Company

186th DIVIDEND

Notice is hereby given that a Quarterly Dividend of 3 per cent for the current Quarter ending 31st December, 1933 (being at the rate of 12 per cent per annum) has been declared on the paid-up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 2nd January, 1934, to Shareholders of record of the 15th December, 1933.

By Order of the Board,

T. H. MAIN,
Manager.

London, Ontario, 28th November, 1933.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1933.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1933.

The above Dividends are payable on Tuesday, the 2nd day of January, 1934, to Shareholders of record at the close of business Friday, the 15th day of December, 1933.

By Order of the Board.

MERVYN OFFER
Secretary.

Montreal, 28th November, 1933.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" Preferred

A quarterly dividend at the rate of 7% per annum on the Class "A" Preferred Stock of this Corporation for the quarter ending December 31st, 1933, has been declared; payable January 2nd, 1934, to shareholders on record at the close of business on December 15th, 1933.

"B" Preferred

A quarterly dividend at the rate of 6% per annum on the Class "B" Preferred Stock of this Corporation for the quarter ending December 31st, 1933, has been declared; payable January 2nd, 1934, to shareholders on record at the close of business on December 15th, 1933.

Common and Ordinary Shares

The Board of Directors has declared a quarterly dividend of 25c. per share on the Common and Ordinary stock of this Corporation for the quarter ending December 31st, 1933, payable January 2nd, 1934, to shareholders on record at the close of business on December 15th, 1933.

Share Warrants

Share Warrant holders will present coupons, serial number 26, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after January 2nd, 1934, where payment will be made at par.

By Order of the Board,

JAMES D. GOOD,
Secretary-Treasurer

London, Ontario, December 4th, 1933.

Wheat

From Our Grain Correspondent

A Dull Week

THE week in wheat has been comparatively dull, with alternations between brief periods of export activity and longer stretches when there has been little evidence of trade. With country deliveries at a low ebb there is but little pressure on the market and as wheat is now going out more rapidly than it is being received, a diminution in the Canadian visible supply is likely.

Overseas markets are paying attention principally to the outcome of Southern Hemisphere. Note, however, is being taken of unfavorable conditions for the winter wheat crop in Danubian countries and especially in Roumania.

* * *

United States News Bullish

PUBLICATION of private estimates to the effect that the U. S. winter wheat acreage is likely to be practically as great as last year might ordinarily have been construed as bearish, in view of the emphasis that has previously been placed on the acreage reduction campaign. It is now asserted that additional acreage put into wheat by farmers who did not sign the reduction contracts will be practically as great as the reduction actually secured under contract.

But the unfavorable conditions in the southwestern wheat states offset this consideration. It is claimed that in places moisture conditions are even worse than a year ago, and that wheat which should be showing a healthy growth at this time is in wretched condition.

Grain Briefs

Canadian mills ground 7,345,792 bus. of wheat during October as compared with 7,670,545 bus. in October, 1932. Flour production amounted to 1,650,557 bbls. compared with 1,721,598 bbls. in October, 1932. Grindings of corn and buckwheat were higher than in 1932 but grindings of oats, barley and mixed grains were lower.

World shipments of wheat and wheat flour for the week ended November 27, totalled 9,716,000 bus. compared with 10,128,000 bus. in the previous week and 12,608,000 bushels in the same week in 1932. Shipments from North America increased by nearly 200,000 bus., western shipments by 1,400,000 bus., but Argentine and Australian clearances decreased by a total of 800,000 bus. In the first 17 weeks of the present crop year, world shipments amounted to 171,000,000 bus. compared with 186,000,000 bus. in the same period of 1932. North American shipments show a decline to 80,000,000 bus. from 18,000,000 bus.

Iron and Steel Output Was Larger in October

Pig iron produced in Canada during October totalled 27,002 long tons as compared with 30,738 tons in September and 6,731 tons in October, 1932. In the first ten months of 1933 accumulative production of pig iron totalled 160,872 tons as against 102,950 tons in the same period of 1932. Tonnage for 1933 includes 140,025 tons of basic iron, compared with 68,067 tons of this grade made during the first ten months of 1932.

October production of ferro-alloys in Canada rose sharply to 9,563 tons from the September total of 2,033 tons. Production of steel ingots and direct steel castings in Canada advanced 25 per cent during October to a total of 48,496 tons. Output in September was 38,630 tons and in October, 1932, 17,102 tons. Increase over September was entirely in steel ingots while tonnage of steel castings dropped.

Mills are reported to have operated fairly steadily at about 50 per cent of capacity during October and volume of business increased although orders for small spot tonnages still predominated. As in September, bulk of orders were furnished by the mines but increased demand from railways was also apparent. The Dominion Bureau of Statistics index number of wholesale prices rose from 86.2 in September to 86.3 in October due principally to higher prices for hot rolled and annealed steel sheets and tinplate.

Incandescent Lamps Had Value of $4,134,008

Production of incandescent lamps in Canada during 1932 was valued at $4,134,008 as compared with value of $4,699,258 in 1931 and $5,096,868 in 1930. Imports in 1932 valued at $373,362 were but slightly lower than the 1931 total of $382,578.

Decline is shown in production of both standard and miniature sizes of all types. In 1932, 17,102,308 standard size bulbs of all types were produced as compared with 18,205,931 in 1931. In 1932, 6,244,103 miniature sized lamps were produced as compared with 7,255,194 in 1931. During 1932, only six concerns manufactured incandescent lamps in Canada.

NOTICE

DEBENTURES FOR SALE

Township of Toronto offer for sale $18,849.39 6% bonds, thirty years.

The purpose of the issue is for water installation. Tenders to be opened 10 a.m., December 15, 1933.

Cooksville, Ontario
J. H. Pinchin, Clerk

The Ontario Municipal Board

Notice is hereby given that the Municipality of the Township of East York has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an Order of The Ontario Municipal Board bearing date the 22nd day of November, 1933, and from and after the first publication of this Notice in "The Ontario Gazette," all actions and proceedings against the said Municipality are stayed and thereafter no action or other proceeding against the said Municipality shall be commenced or continued nor shall a levy be made under a writ of execution against it without leave of The Ontario Municipal Board.

Dated this 22nd day of November, A.D. 1933.

H. C. SMALL,
Secretary,
The Ontario Municipal Board.

Grain and Milling in Canada

GOVERNMENT AID MAY ENCOURAGE ANTIPODE WHEAT

Australia Plans Flour Tax and Federal Bonus to Growers

From Our Own Correspondent

WINNIPEG.—Full details have not yet been received of the proposed bonus in Australia to wheat growers. The original dispatch from Canberra indicated that approximately $15,000,000 was to be turned over to the relief of Australian wheat growers in various forms and that of this amount, $7,000,000 would come from the government while the remainder is expected to be secured from a tax on flour consumed in Australia. This would need to be at the rate of about 25 cents a bushel, or something over a dollar a barrel on flour. The whole amount of $15,000,000 would be equivalent to something over ten cents a bushel, on the crop about to be harvested.

There is no suggestion that the bonus is to be used to encourage reduction of wheat acreage. Rather the reverse appears to be the case and the bonus will be more in the nature of encouragement to keep on with the production of wheat.

Past Policy Reviewed

Australian acreage was stimulated a few years ago by bonuses and by promises, incompletely kept, of fixed prices for wheat. Without such encouragement it does not seem probable that wheat growing would have reached its present extent in that Dominion. The step was undertaken as part of the Australian policy to adjust her balance of trade, by forcing a greater quantity of exports.

When the Australian pound first depreciated in terms of sterling, wheat growers were greatly pleased, as their prices in Australian currency went up more rapidly than did the prices of goods they had to buy. Recently there have been reports of a great deal of discontent on the part of farmers, as advances in other prices resulting from currency depreciation tended to catch up with wheat prices.

The latest government action seems to be founded upon that discontent, aggravated by the small crop now in prospect, rather than by any commitments under the London wheat agreement. Indeed, Australia has no present worries under that agreement, as her production for export this year seems likely to fall below the quota allotted to her.

Says $140,000,000 Needed on Farms In Saskatchewan

From Our Own Correspondent

REGINA.—Prof. E. C. Hope, of the farm management department of Saskatchewan University has estimated it will take $140,000,000 to restore the 136,000 farms in Saskatchewan to their 1929 condition.

Farm buildings in the province are worth $236,000,000, he estimates, and it would take $50,000,000 to put them in shape.

Machinery runs about $2,000 to $3,000 per farm and $40,000,000 would be needed to put such equipment in shape.

Need $30,000,000 for Clothing

Internal fittings have depreciated to the extent that it would need at least $20,000,000 to bring them back to par. Clothing has reached the point where it would take $30,000,000 to place it on pre-depression basis.

These estimates he says do not include replacement of horse-drawn automobiles or wornout trucks.

During the last four years buildings have gone unpainted; machinery has been used that is fit only for the scrap heap; household furnishings have been cut to the lowest minimum and the average stock of clothing is at its lowest point.

Two reasons for the depreciation have been poor crops and low prices. Poor crops have been due to climatic conditions and insect pests. The pests have caused a loss in Saskatchewan alone of more than $30,000,000 in the last two years.

Higher World Shipments Likely During Next Year

The 1933-34 world wheat crop outside Russia and China is indicated at about 220,000,000 bushels less than last year's production, but prices thus far in world markets have shown no sustained improvement from last year's levels, says the U. S. Bureau of Agricultural Economics in its current report on world wheat prospects. In the United States, however, there has been a marked improvement in prices.

World shipments of wheat to date this season have been somewhat smaller than last year's, but a moderate increase seems likely later in the season as supplies from record crop in Europe are reduced, says the bureau. World shipments of wheat thus far this season have averaged about 10,000,000 bushels a week, whereas in October and November last year shipments averaged about 13,000,000 bushels a week.

Provincial Premiers Shy At Wheat Enforcement

Anxious to Pass Buck to Ottawa So Parley Reticent About Its Deliberations

From Our Own Correspondent

CALGARY.—Premier Brownlee conferred here last week with Hon. M. A. MacPherson, provincial treasurer for Saskatchewan, and Premier Bracken of Manitoba as to steps which might be taken by provincial governments and legislatures in connection with the London wheat agreement, and particularly as to whether anything should be done towards legal restriction of wheat acreage in western Canada.

Members of the conference showed great reticence in disclosing the result of their deliberations, and the official statement handed to the press was short. It read:

"We considered many matters, but chiefly the discussion centred around the London wheat agreement, and the part the provinces should play with the federal government by way of legislation or otherwise, in seeing that the agreement is implemented."

MacPherson Comment

This was amplified to some extent by Mr. MacPherson in the course of an interview in which he stated that conditions were so subject to change that it would be impossible to make any definite declaration as to policy. He added:

"All we can say is that we do most sincerely want to help the federal authorities in every way possible to the benefit of Canada as a whole. I do not think further conferences will be necessary, but our meeting here today has helped a great deal toward the better understanding of our problems. We expect to carry on our work in co-operation with the federal government through the mails."

Federal Responsibility Limited

Note was taken here of the emphasis laid upon the federal government in the statements issued. It has been generally understood here that Prime Minister Bennett had laid upon the shoulders of the provincial premiers responsibility for any action that might be taken, or not taken, towards acreage restriction. The attitude at Ottawa, it is believed, is that the federal government has done its part in signing the London wheat agreement in accordance with the expressed desires of the western premiers, and in undertaking to see that exports from Canada are duly limited in accordance with the terms of that agreement.

Provincial premiers have been told, it is understood, that if any legislation they desire to have passed towards limiting wheat acreage is defective on account of lack of provincial jurisdiction, the Dominion Parliament will be requested to remedy the defect, but that Parliament will not be asked to take any greater responsibility than this.

Provinces are Squeamish

But provincial politicians here, sensing the trouble that members of the legislature might get into with their own constituents, want to see any move towards acreage restriction undertaken, not as a provincial measure but as a federal one. They would be willing to see the proposed procedure reversed, that is legislation passed by the local house to confer powers on a body which might be appointed by the Dominion Government.

Premier Brownlee has for some time been advocating the appointment of a Federal Wheat Board to take over the marketing of the whole wheat crop. It is conceivable that Alberta might decline to undertake acreage restriction unless such a Board is appointed.

Another reason for declining might be the attitude which is understood to prevail in Manitoba, that farmers there must not have any greater restriction forced upon them than they have already undertaken, and the special difficulties in Saskatchewan which have had no crop or very poor crops for a number of years. Alberta and Northern Saskatchewan may be more responsible for the Canadian wheat surplus than other parts of the West, but it is thought impracticable to impose any special reductions upon one province or part of a province.

ARGENTINE PLANS TO FIX PRICES FOR NEW GRAIN

Government to Sell at World Level and Pay for Losses

From Our Own Correspondent

WINNIPEG.—For some reason or other when the latest move in the Argentine in connection with wheat was announced last week, it was taken by some people to be a bullish factor, and some buying came into the market understood to be based on that feeling. When more information was available there was a tendency to take the opposite view.

The Argentine government has done two things. One is to agree to pay the producer of grain fixed minimum prices in Argentine pesos for wheat, corn and flax. A government board is being established which apparently is to buy all grain at these prices unless the market will take some of it at higher prices. Then the government Board is to sell the grain abroad at world prices, absorbing any loss which occurs in the process.

Settles Marketing Problem

That seems to settle the problem of how the Argentine is to keep its engagements under the London agreement. By buying grain and holding it, the government can prevent more being exported than the quota which has been accepted for that country. If the government proceeds with recently announced plans for erecting storage elevators it will have a place to keep the grain thus acquired, and its own difficulties will be those of a financial nature which may arise.

The first fixed price announced for wheat was 5.75 pesos a quintal, the equivalent at the current rates of exchange, of approximately 62 cents per bushel, several cents higher than prevailing quotations for new wheat, while old wheat, because of the poor quality of last year's crop, was selling considerably cheaper. A later despatch suggested that a lower minimum price was to be establishehd.

Peso to Depreciate

Concurrently it was announced that the Argentine peso was to be allowed to depreciate to its natural level. For some time the government had been attempting some degree of management of the external value of the peso, trying to hold it up in relation to the British pound, but recent developments in dollar exchange have either convinced the government that they cannot manage the external value of the country's currency, or else that they want to join in the depreciation race.

Liverpool Sees Cheaper Wheat

Liverpool professes to see in this development a reason for expecting cheaper wheat than would otherwise be obtainable, currency depreciation in any exporting country being always regarded from that angle. Some comment suggests that it is a move on the part of the Argentine to overcome the advantage supposed to have accrued to this country in export business through depreciation of the Canadian dollar in terms of sterling, but despatches from the Argentine make it look more like a matter of necessity.

It will be necessary to await determination of the "natural level" of the peso under new conditions before being able to forecast probable results.

Saskatchewan Tests Opinion About Quotas

From Our Own Correspondent

REGINA.—Employees of the Saskatchewan provincial department of agriculture are reported to have addressed meetings in the country lately, and to have suggested that a plan is to be brought into effect whereby every farmer in the province will have to have some sort of a license before he will be permitted to sell any wheat, and that his quota will be determined in accordance with past sales of wheat.

In the absence of any statement on behalf of the government itself this is believed to indicate a "kite-flying" to test the probable reaction if the government should decide to have enacted at the next session of the legislature the scheme for which the Saskatchewan Wheat Pool has been pressing.

Wields Much Power

That organization is still credited with an ability to bring great political pressure upon members of the legislature, similar to that which was exercised when the bill to establish a compulsory wheat pool, subsequently shown to be outside of government powers, was forced through the legislature.

With a provincial election due this summer members of the legislature will have a difficult choice between incurring the displeasure of a powerful central organization, and offending individual voters.

Grain Trade Year Book

To any thoughtful student of the Canadian or world trade in wheat and other leading cereals, the Canadian Grain Trade Year Book, 1932-33 is an invaluable reference source.

The new volume is the thirteenth of its kind to appear and comprises over 100 pages of closely-packed statistical information covering the crop year ending July 31, 1933. Two thirds of the book is devoted to a detailed survey of Canadian grain statistics under the headings: production, deliveries, loadings, inspections, receipts, shipments, prices, stocks, weather, exports, etc. The remainder contains summary figures for principal foreign countries and the world production and movement of grain.

Published by the Sanford Evans Statistical Service at Winnipeg. Price $1.50.

Winnipeg Grain Prices

Week to December 5

Crop year from Aug. 1, 1933 High	Low		Open Nov. 29	High for week	Low for week	Close Dec. 5
		Wheat				
.68⅝	.54⅝	November	.61⅛	.61¾	.60⅛	.....
.90⅞	.54⅛	December	.60	.60¾	.57⅞	.59⅛
.95	.59¼	May	.65	.65⅛	.62	.63½
.79½	.63⅜	July	.65⅞	.66½	.63⅜	.64⅝
		Oats				
.32¼	.28	November	.....	.28¾	.28½	.....
.45⅝	.26	December	.28¾	.29⅞	.28	.29¼
.48½	.29½	May	.32½	.32⅞	.31½	.32⅞
.36¼	.32⅛	July	.33½	.34	.32⅛	.33⅝
		Barley				
.36⅞	.31⅛	November	.....	.32½	.32	.....
.36⅞	.29¼	December	.32½	.33⅜	.31⅜	.33¾
.59¾	.32½	May	.36	.37	.35¼	.37
.41	.36¼	July	.37⅝	.37⅝	.36¼	.37⅜
		Flax				
1.45¼	1.32	November	.....	1.37	1.36½	.....
1.68½	1.11	December	1.36	1.40¼	1.36	1.40¼
1.71½	1.15	May	1.45	1.47	1.43¼	1.46
1.48⅝	1.39½	July	1.45¾	1.45¾	1.43¾	1.45½
		Rye				
.50½	.38¼	November	.....	.39¼	.39	.....
.64½	.37	December	.39¼	.40⅞	.38⅜	.40⅞
.68½	.39½	May	.44⅜	.44⅞	.42⅜	.44⅜
.50⅝	.43⅜	July	.45⅜	.45⅞	.43⅝	.45¼

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National Milk

Will you kindly let us have any information available regarding the first mortgage 6½ per cent bonds, due 1946, of National Milk Products Co.? We have been unable to get any information at all as to where this company carries on business. We would like to know whether the bondholders are ever likely to receive any settlement.

National Milk Products Co. was formerly a subsidiary of Canada Dairies, which is now part of Dairy Corp. of Canada. When the United States raised its tariffs against milk products in 1929, it spelled disaster for National Milk Products bondholders whatever might have been their success otherwise. The plant could not be sold because of the loss of the American market. Interest on the bonds was defaulted on September 15, 1929, as Canada Dairies had not guaranteed it.

Bondholders took over the property which is located at Gananoque, Ont., Canada Dairies losing its equity. The National Trust, trustee for the bonds, closed the plant. In 1931 an offer to purchase the plant was made, and a meeting of bondholders was called by public advertisement. The intending purchaser was unable to raise necessary working capital and the scheme fell through.

Now, however, there is a chance that bondholders may get something out of their holdings. The plant is still inactive but English interests are now investigating with a view to purchase from the trustee. The English operators have had experts look over the property, and representatives are now about to come to Canada to go into the matter further. We understand that it looks as if the prospects of selling the property are fairly good.

International Proprietaries

What is the situation of International Proprietaries and what are the prospects for "A" stock?

International Proprietaries has 223,265 no par value class A shares outstanding. This is $2.60 cum. stock and in addition to the preferential dividend of $2.60 per share participation dividends have been paid as follows: 10c. in 1929; 10c. in 1930, another 15c. in 1930, two 5c. payments in 1931, and 5c. in 1933.

The company has no funded debt. At the end of 1932 it was not indebted to banks and had a very strong working capital position. It is a holding company which, through its subsidiaries, manufactures an effervescent saline under the trade name, Eno's Fruit Salts, and a medicinal cotton called, Thermogene. It has ten manufacturing plants in *England*, Canada, United States, Germany, France, Spain, Australia, Argentine, Brazil and Colombia and conducts its own sales activities throughout the world.

Earnings have been quite steady in recent years and an improvement in exchange and general international business would be of help to the company. Continued progress is expected by the principals.

Loblaw Groceterias

I would like to know if, in your opinion, it would be advisable for a holder of Loblaw "A" to switch to the "B." I was of the opinion that the "A" was the better stock to hold but it seems the "B" is going higher on the market.

While the spread between the market price of the A and B stocks of Loblaw Groceterias Co. has tended to become narrower during the past year the class A stock continued to sell slightly higher than the class B stock and there does not appear any likelihood that this condition will be reversed.

The class A shares command a more active market due to the fact that there are 454,726 shares outstanding as compared with 383,300 shares of the class B voting stock. The class A shares are non-voting unless dividend is in arrears for one year. Chief difference between these two classes of stock from the standpoint of the investor is that the class A shares are entitled to cumulative preference dividends of 50 cents per annum. Then after 50 cents has been paid on class B shares further profits are divided equally, share for share between class A and class B stock. The current dividend of 80 cents per share is paid on both classes of stock, and in the year ended May 31, 1933, the company earned $1.18 per share. If earnings were reduced to a point where the company decided to reduce dividends both classes of shares would be affected equally to the extent of a 30 cent reduction per share. Further reduction would then affect the class B shares while an annual dividend of 50 cents would be paid on the class A shares and this payment would be the last to suffer reduction. While earnings have been lower in the current fiscal year than they were in the year ended May 31, 1933, there is no evidence that the company will have to reduce its dividends. The class A shares are redeemable at option of the company at a price not exceeding $50 per share. While some class A shares have been retired in the last two fiscal years, there is no indication that the company has any intention of retiring the entire issue.

Imperial Bank

I have been considering purchase of stock of either the Imperial Bank or the Canadian Bank of Commerce. How do these banks compare? Is a bank stock assessable?

The report of the Imperial Bank recently issued for the year ended October 31, 1933, shows earnings maintained at practically the same rate as in 1932. In the last fiscal year, the bank earned $17.20 per share, before deduction of federal and other taxes and reserve for contingencies. After providing for taxes and reserves the bank earned $11.20 per share and paid dividends at the rate of $10 per share. A reserve of $250,000 was set up for contingencies but no depreciation was provided on bank premises for which item $250,000 was provided in 1932 and nothing in 1931. While substantial reserves were set up for depreciation on securities in 1931 and 1932 such a provision was apparently not necessary for the last year. The general statement of the bank showed an improvement in liquid position over last year and an increase in savings deposits. At October 31, 1933, the bank had 199 branches of which 116 were in Ontario, 38 in Saskatchewan, 22 in Alberta, 12 in British Columbia, 8 in Manitoba and three in Quebec. The bank has a subscribed capital of $7,000,000 which is all paid up and a reserve of $8,000,000.

The report of the Canadian Bank of Commerce for the year ended November 30, 1933, is due in the latter part of December. The bank may show some decrease in earnings from the $14.26 per share earned in 1932 before provision for depreciation and taxes but it can be taken for granted that the bank would show an improved liquid position. Of the bank's 705 branches, 306 are in Ontario and 81 branches are operates in Quebec. The bank is also well represented in the western provinces and the Maritimes as well as having a number of branches abroad. The Canadian Bank of Commerce has a subscribed and paid up capital of $30,000,000 with a reserve of $30,000,000.

Imperial bank stock has sold as high as $185 and as low as $123 in 1933 and is currently showing at around $142 per share. With annual dividends at 10 per cent, the current yield is slightly over 7 per cent. Stock of the Canadian Bank of Commerce has sold as high as $175 in 1933 and as low as $120 with a current price around $134. With an annual dividend of 8 per cent, this stock is selling to yield approximately 5.96 per cent. Both banks have dropped the annual bonus paid in 1930. The annual dividend rate has been dropped from 12 per cent to 8 per cent by the Commerce and from 12 per cent to 10 per cent by the Imperial. Due to the larger number of Canadian Bank of Commerce shares standing there is a somewhat more active market in this stock than there is for Imperial Bank.

Both banks should benefit with improvement in business conditions in Canada. The effect of the loss of note issue by the commercial banks, as recommended by the Royal Commission on Banking and Currency, should be expected to affect the Canadian Bank of Commerce to a greater extent than the Imperial Bank but any change in the method of issuing notes would probably come gradually over a period of five years or so.

All Canadian bank stocks carry a double liability clause so that in the event of failure of the bank the shareholders may be liable for payments up to the par value of his stock in addition to loss of his investment.

Power Corp.

What do you think of the prospects of Power Corp. of Canada and will the company resume dividends on the common stock?

Power Corp.'s position is not altogether satisfactory from the point of view of the common shareholder. The company's investments have depreciated in value, while income is on a lower basis. There is no immediate prospect of a resumption of dividends on the common stock, while an increased book equity back of these shares will depend upon an upward move in the stock market prices.

Brewing Corp.

Would you please give us some information about Brewing Corp.? We have bought the stock at 5¾ a share. Would you think it right to hold until $7 a share?

It is always well to take a profit on a speculative stock of whose future performance you are uncertain. We cannot predict fluctuations in stock values because they often occur for other than investment reasons.

Brewing Corp. of Canada is a holding company for a group of subsidiaries, engaged in the brewing of various types of lagers, ales and stouts and the manufacture of soft drink beverages. It operates a total of 10 breweries, one soft drink plant and one bottling plant, the latter being in Montreal. Most of the subsidiaries were old established breweries taken in by the company in a merger in 1930.

Some of the objects of the merger have been achieved, but high taxes and keen competition have been such that there have been no earnings on the common stock in the last two years. The management is hopeful of improvement, but the stock is numbered among uncertain speculations until greater financial strength and increasing profits indicate that it is solving its problems.

Famous Players Bonds

I have some Famous Players 6 per cent bonds. Should I hold or sell? Is there any danger of interest being passed?

Famous Players Co., of Canada, has managed to maintain interest from current revenues on the first mortgage bonds, paying 6% and due 1948, to date with difficulty. Earnings of moving picture houses in various parts of Canada have been somewhat straitened by the depression, but since August in the principal cities the new plays being exhibited apparently are getting good results. In many of the play houses the entrance fees have been increased and every effort is being made to earn enough to look after bond interest.

The new president, N. L. Nathanson, had a good deal to do with building up the company in the first place and has just returned to it after an absence of several years. He is hopeful of increasing revenues materially as soon as business is more active and on a more stable basis and employment is more diffused. In many movie houses rates have gone up without cutting attendance noticeably. That may help out.

Union Trust Co.

I hold a few shares of Union Trust Co. Up to the time they discontinued their dividends the first of this year, I regarded this stock a good property to own.

Recently I notice reported in the market reports in The Post one or two sales at $40 and $30 per share.

Is this drastic drop in market value just in sympathy with all bank and trust company quotations or is there some recent development which is causing such a drop in value of their stock.

The market for the shares of Union Trust Co. has never been particularly active since there are only 4,000 shares outstanding and most of these shares are closely held. During the current year only 75 shares have been traded on the Toronto Stock Exchange, the last sale having gone through at $25 per share. In view of the fact that the company is not paying dividends and is understood to be having some difficulty with its mortgage investments in Western Canada there has been very little demand for the company's stock and as a result when shares are put on the market they can only be sold at a substantial discount.

The extent to which the company's investments have been affected by conditions prevailing in Canada during the past three years cannot be ascertained at this time. It is, therefore, impossible to arrive at a definite conclusion as to just what the shares are worth. According to the financial statement as at December 31, 1932, each share had an equity of $163.78 but this equity might be altogether too high if the company had not made full provision for losses on investments. In the case of western mortgages it is almost impossible to estimate the loss at the present time since arrears of interest and principal might be paid to the company if prices for farm products showed any material upturn during 1934.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Fountain Pen Rackets

FOUNTAIN pens, automatic pencils and pen and pencil sets are not infrequently the lure that racketeers use to attract a public that is looking for bargains. One form of such a racket that has been operated throughout Canada and that has caused substantial losses to reputable, if incautious, dealers is as follows: an agent for a fountain pen approaches some reputable merchant and rents floor and window space to promote the sale of his product. The agent may then distribute coupons entitling the bearer to buy what is presumably an expensive pen at a big discount on a certain day at the reputable store in which space has been taken. In another case the sale was advertised by handbills which appeared to have been printed by the local store and which described the excellent bargain which was to be had. In every case the prestige of the store is used to emphasize the merits of the product.

On the day of the sale the bargain-hunters appear and snap up the merchandise offered. The agent cashes in and departs for points unknown. Shortly thereafter the bargain-hunters discover that the fountain pen that they purchased at such absurdly low prices can be purchased at the same price or even lower in other local stores. The merchant who unconsciously backed the sale with the prestige of his name is the one who suffers, for the irate bargain-hunters demand their money back. If the merchant is to retain his good name he has no other alternative than to suffer the loss entailed in reimbursing those who purchased merchandise on the assumption that since it was sold in his store he personally guaranteed the merchandise.

* * *

Preying on Widows

A MAN in Toronto died recently. Three or four days after his death there came to his house a letter reading in part as follows:

"Herewith one pen and pencil set as ordered.

"We understand from our agent that this set is intended as a present for your wife and we feel sure that this splendid gift will be treasured and will give her years of unfailing service.

"Kindly remit $5, the cost of the set."

The member of the family who was looking after the financial affairs of the deceased was suspicious. He wrote to the pen company asking for a copy of the original order. He got this very ingenuous reply:

"The agent who controlled the Toronto district at present is working in the northern part of the province and it would be inconvenient for him to call on you.

"We do not ask for a signed order. You refer to the death of the late Mr. T...... We are extremely sorry to hear of Mr. T......'s death since placing the order.

"Under these circumstances, of course, we cannot hold his heirs under any obligation unless they feel that there is some reason why they should retain this pen and pencil set."

* * *

THERE is good reason to believe that no order was ever given for the pen and pencil set in question. It would appear that the firm carrying on this racket simply looks over the obituary notices in the papers and then mails a set, together with his form letter and the bill for $5, addressed to each person who has recently died leaving a widow to mourn him.

It is apparently his hope that the widow, somewhat touched by her late husband's thoughtfulness in wishing to make her a surprise present, will keep the pen and send the $5 without question.

The set in itself offers no inducement to anyone at all familiar with this type of merchandise to buy it at $5. Similar sets were on sale in a Toronto store this week at 98 cents. The Financial Post took the set, sent out by this racketeer, to the original manufacturer. He explained that the set is manufactured to sell to jobbers at $15 per dozen but has recently sold at $12 per dozen as an introductory offer. The jobber would ordinarily sell to retailers at around $22 per dozen, and could have sold recently at $19 a dozen without reducing his margin of profit.

* * *

Policy Becomes Big Business

POLICY, favorite gambling pastime of New York's negro population, has been brought to Canada by Detroit racketeers, according to the Toronto Daily Star sports editor. Comparatively simple in plan this method of gambling is particularly suited to the racketeer by whom it has been introduced in many cities in the United States. The rings controlling "policy" cater to the small players who may wager anything from a dime up. With daily pay-offs the policy players come back regularly for more, lured by the big odds that reward the winners.

According to a description of the way this racket is worked in Detroit the chief operators remain under cover while districts are allotted to agents who in turn contact the men who deal with the public. The policy addicts pay in their money through cigar stores, pool rooms, individual agents and other sources and choose a number with three figures such as 654. The winners are those whose number is the same as some predetermined portion of published daily returns such, for example, as the number of shares sold on a stock exchange. Each player receives a receipt on payment of his stake and if he is fortunate enough to pick the correct sequence of numbers he is paid off on presentation of this receipt on the basis of 400 for 1; $40 for a 10 cent bet. The winners must be paid off if the game is to continue in good repute with the gambling fraternity and the odds are so great that it is probable that paying the winners is the least of the expenses.

It is estimated that some 100,000 people play policy every day in Detroit and that the daily turnover is $50,000. Contact men get around 30 per cent of the gross while expense of protection is heavy. It is claimed that a policy game has already been started in Toronto by Detroit racketeers. Civic and provincial authorities indicate that they will take drastic action to put an end to this racket if they find proof that it has been started in Ontario.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Bloom Lake Con. Mines

I have had shares in Bloom Lake Consolidated Mines for some years, but they have been unable to raise sufficient capital to develop the property.

Now, so say officials of the company, they can get plenty of capital from United States sources, provided the shareholders pool their stock until June 6, 1934.

I do not understand why this is necessary, and am suspicious of this scheme, but the company says it is one of the conditions of the financing, and that they cannot get capital elsewhere. I would appreciate your advice.

The new financial programme considered by Bloom Lake Consolidated Mines has attractions if there was any assurance that the deal would give the company enough funds to complete the programme. It is common practice to pool the shares outstanding in order to aid new financial programmes, offered by unnamed United States interests. We have yet to see one work out to the advantage of the shareholders. In a stock that is not listed we fail to see how the outstanding shares could materially interfere with a new financial programme. The purpose of pooling stock, particularly a listed stock, is to prevent these shares coming on the market and thus disturbing any artificial market made by the new fiscal agent. In the absence of details or names of the new fiscal agents, you are warranted in asking the officials of Bloom Lake a few pertinent questions. The company has been financed and refinanced many times during past years. Doubtless the property is worthy of further attention, particularly as there is considerable work going on in the area and gold is selling at over $30 per ounce. We believe that the directors should take the shareholders a little more into their confidence and publish a financial report and give more details of the deal.

Our Mid-December Booklet
"Investments"

Contains a diversified list of Canadian Government and Corporation securities attractively priced.

This issue of the Booklet contains also a Chart showing the course of Sterling and American Exchange during the past sixteen years.

Copies of our Booklet upon request.

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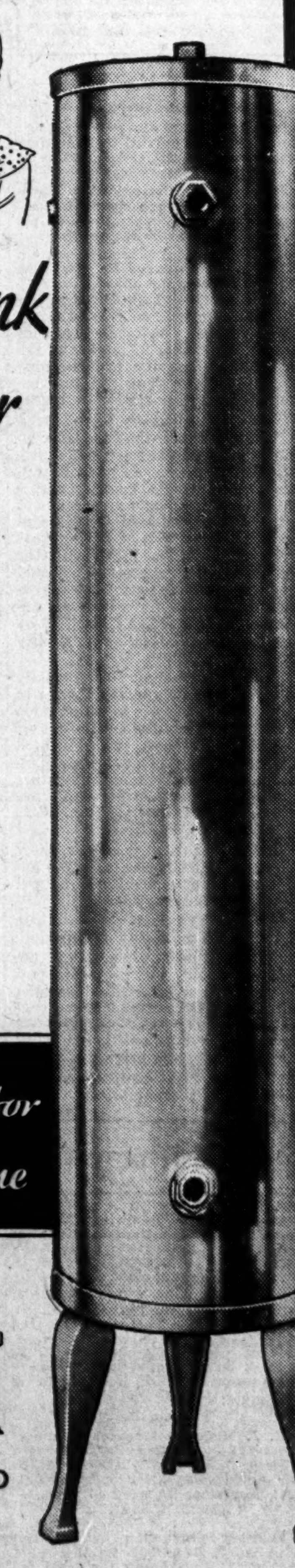

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INCO NEWS
Interesting new uses of Nickel and Monel Metal in industry and homes

Inconel Storage Tanks for Distillery

The Coulter Copper & Brass Company are constructing a number of 800 gallon gin storage tanks for G. E. Gilby Limited of England, who are erecting a new plant at Toronto. These storage tanks will be built of Inconel, the new alloy of International Nickel which has super-resistance to corrosion.

Monel Metal Wine Measures

The Quebec Liquor Commission have placed repeated orders for Monel Metal wine measures, supplied by Messrs. P. Page of Montreal.

Nickel Steel Mine Cages in French Mines

Use of Nickel Steel parts has saved 30 to 40 per cent in the weight of mine cages used by the Cie. des Mines de Roche-la Moliere in France, without sacrifice of strength.

A foundry in Montreal secured orders for some Nickel Iron castings. A stranger saw these castings being machined, and was so impressed that he has since placed orders for Nickel Cast Iron with the same foundry.

Monel Metal Soda Fountains

J. P. O'Shea & Co. of Montreal, Que., recently installed Monel Metal Soda Fountains in the Columbia Cigar Store, C.P.R. Windsor Station, and the Park Lafontaine Chalet.

Monel Metal Pump Shafts

Recent installations of Monel Metal pump rods and shafts have been made by The Hall Engineering Co. Ltd., for MacDonald College; The T. Eaton Co. Ltd. in Montreal; Canners Machinery Co. of Simcoe, Ont.; Muskoka Foundry Co., Bracebridge, Ont.; Guarantee Silk Dyeing & Finishing Co., St. Catharines, Ont.; Toronto Carpet Mfg. Co.; Foreman Motor & Machine Co., Toronto, Ont.; Westco Pump Company, Toronto, Ont.; and C. H. Perkins, Machinists, Toronto, Ont. Monel Metal Pump Shafts have established their economy over a period of 20 years.

Monel Tiller Rope for Mine Signal System

The McIntyre Porcupine Mines after considerable experience continues to use Monel Metal tiller rope for their signal system, and find it extremely satisfactory to withstand the dampness and fumes in underground shafts.

More Monel Metal Sink Installations

Recent custom built installations of Monel Metal Sinks include those at Preston East Dome Mines, the T. Eaton Co. Ltd., Montreal, and Langelier Ltd., the yacht "Narrator," and The People's Store, Montreal.

Monel Bolts and Nuts for Chimney

The Custodis Canadian Chimney Co. recently purchased bolts, nuts, washers, etc., for a chimney handling sulphur fumes.

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COURT UPHOLDS DOM. GRESHAM ON VITAL POINT

Crown Trust Wins in Stand No Interest on Claim

From Our Own Correspondent

MONTREAL.—Holding that no interest can accrue on claims after liquidation, the Court of Appeal has rendered judgment in favor of the Crown Trust Co., as liquidator of the Dominion Gresham Guarantee and Casualty Co., in the case of Percy Hermant. The court held that a policy of the Dominion Gresham Company issued in Hermant's favor guaranteeing the payment of principal and interest on a $55,000 mortgage granted by Central Sites Development Co., of Toronto, cannot be collected for an amount in excess of the capital plus interest accrued to the date of liquidation.

The finding of the Court of Appeal establishes an important principle of general interest in connection with liquidations and of particular interest in connection with insurance business.

History of Case

In November, 1927, Percy Hermant lent to Central Sites Development Co. $55,000, upon a promissory note maturing on May 21 1928, and bearing interest at the rate of 7 per cent per annum. As security for the note the obligor granted a mortgage on its building in Toronto. The note fell due on May 21, 1928, and was not paid. The guarantee company was ordered to be liquidated on May 30, 1928. Mr. Hermant filed a claim for $55,091 being the capital amount plus interest at the rate of 7 per cent to the date of liquidation, and an additional claim for interest accruing after liquidation until payment of the indebtedness.

The liquidator acknowledged claim for $55,091 but refused to collocate the claimant for any further amount for interest after the date of liquidation and called the claimant before the Superior Court under the provisions of Section 75 of the Winding-up Act.

Last February Judge Cousineau dismissed the liquidator's contentions and gave judgment for the creditor claimant for the interest on the sum of $55,000 at 7 per cent from May 30, 1928, until paid. In view of the amount at stake in the present case exceeding $20,000 and of there being similar questions in other cases involving over $70,000, the liquidator appealed to the Court of King's Bench and its appeal has just been unanimously allowed.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Social Welfare and Economics

In your editorial of a few weeks ago you stated your opinion that the Government should not sell annuities as it cost the taxpayers money.

As most annuities are from $40 to $65 a month, is there not a real saving to the country since these people do not draw the old age pension?

In all fairness the Government should be encouraged to have the people save and buy annuities.

An article which appeared in The Financial Post dated Nov. 4, 1933, which reviews the whole trend of opinion at Ottawa in respect of the government annuity branch, may help to answer your question regarding our editorial in a recent issue of The Financial Post.

It seems to us that there is an important difference between a definite thrift plan such as you suggest which would counterbalance the federal payments on account of old age pensions and the present competitive method of selling government annuities in Canada the deficits on which are surreptitiously made up out of consolidated revenue funds and for which an unknown liability is being piled up by the use of an obsolete mortality table.

If the government is eventually going to use the annuity branch to encourage thrift on a nation-wide scale and obviate the need of an old age pension system, probably such a plan has much to recommend it. The matter would hinge on whether a social purpose justifies bad economies — the essence of the N.R.A. experiment in the U.S.A.

In the meantime, however, there seems no good reason why the annuities branch should not be put on a sound business-like basis.

In the one case, there would be a virtual state monopoly on the small annuity business while larger annuities would be sold as now through the regular life insurance channels. There would be no conflict. As it is now, it would seem that the government is surreptitiously bonusing a branch of public business in direct competition with existing life companies.

Obituary

Shaw, George Baldwin—of Reed, Shaw & McNaught, Toronto, died suddenly. Born in Toronto in 1869, he entered the insurance business in 1894 in the organization founded by his father. Nine years later he formed a partnership with C. B. McNaught, doing business until 1906 under the name of Shaw & McNaught. In that year a merger with J. B. Reed & Sons brought into existence the present firm of Reed, Shaw & McNaught.

R. J. McCormack, casualty superintendent in Montreal for the North British & Mercantile Insurance Co. and allied companies, died in Montreal, November 22, aged 48 years.

Feldspar production in the first nine months of 1933 totalled 5,518 tons or 74 tons below the total for the same period 1932.

Silent Interest Suffers In Close Corporation

Active Shareholder Should Have Written Agreement With Associates to Buy Interest After Death

By R. M. HAULTAIN

Should a business man who holds an interest in a close corporation leave his wife and family in the business in the event of his premature death, or should he have an agreement with his business associates to buy his interest?

Human nature in business is the same the world over and some aspects of the answer to this question demand handling without kid gloves. It is not a bridge party topic.

Family Viewpoint Considered

This article summarizes the factors to be considered from the viewpoint of the deceased's family. The preceding article of this series summarized them from the viewpoint of the surviving partners in the business.

When the partner dies, if no stock purchase agreement exists between the partner, we find:

1. Danger of capital loss;
2. Probability of dividends being impaired or passed;
3. Business worries confronting wife;
4. Survivors usually too busy to keep wife informed on all factors affecting the business. She finally feels that her welcome has worn out at the office and that it is difficult to keep in close touch.

Four Courses of Action

There are four main courses of action open to her or her representatives:

A. To leave her interest in the business;
B. To buy the survivors out;
C. To sell her interest;
D. To force liquidation.

Her decision will naturally be based largely on whether the survivors hold control or whether the estate holds control.

When Survivors Hold Control

Course A—When control rests with the survivors and she and the executors elect to leave the interest in the business, the following factors demand consideration:

1. Risky investment for a widow. Not likely to provide a regular income, particularly during depression cycles.
2. The survivors or their successors may decide to swing the profits into reserve, expansion, or into salary increases rather than into dividends.
3. The survivors as a rule prefer to bring their own sons along in the business rather than the sons of the deceased.
4. The survivors may prefer not to discuss all business plans with the widow or her representatives.
5. The survivors are in a position to disregard the advice or requests of the estate heirs or their representatives.
6. The survivors may, through circumstances beyond control, lose the estate capital.

Course B—When the survivors hold control, if the question of buying them out is considered by the widow and executors:

1. Failure of the business would mean serious capital loss to the estate;
2. Loss of continuity of management;
3. New management problem;
4. Severe restriction of bank and trade credit;
5. Employee apprehension, if new management inexperienced, would result in inefficiency.

Course C—When the survivors hold control, if she and the executors decide to look for a buyer for the estate interest:

1. Survivors, supply firms or competitors are probably the only market;
2. The survivors cannot be expected to offer much, as they do not need more voting stock and could probably buy on their own terms by waiting: (One survivor would probably buy if he could secure control himself by the purchase).
3. Can the survivors pay cash? If not can they offer satisfactorily secured promissory notes?

Course D—When the survivors hold control, if the widow and executors decide to realize by forcing liquidation:

1. There is a loss to all;
2. The employees lose their livelihood.

Course A—When the widow and executors hold control and decide to leave the interest in the business, these factors must be considered:

1. Incentive is impaired for survivors to work hard;
2. Apathy develops among survivors and is reflected in employees;
3. Dry rot develops;
4. Survivors may sell their interests to competitors who see a chance to acquire the firm cheaply for merger purposes, thus eliminating competition;
5. Estate conservation and aggressive business management do not ride well in the same boat;
6. Exceptional tact is needed on both sides to avoid misunderstandings.

Course B—When the widow and executors hold control and offer to buy the survivors out:

1. Wisdom doubtful, widow might lose capital;
2. Continuity of management is lost;
3. Credit would then be seriously curtailed;
4. Estate might find that it had to throw good money after bad in an effort to keep firm going;
5. Who would manage firm successfully?

Course C—When the widow and executors hold control and decide to sell:

1. Highly desirable if no son old enough to take hold;
2. Always difficult to get a good price when sale follows death;
3. Can survivors pay cash? If not can they offer satisfactorily secured promissory notes?
4 Could a reasonable price be secured from competitors, or would they play a waiting game?
5. Could an outside buyer be found before the business deteriorates?

Course D—When the widow and executors hold control and decide to liquidate:

1. Fraction of value is usually realized;
2. Employees lose their livelihood.

The Solution

The Business Life Insurance Trust Agreement eliminates these problems for the deceased's family as it does for the survivors. It transfers automatically the deceased's interest to the survivors, for cash, on a fair valuation method as defined in the agreement.

The whole problem is solved for the deceased's family as follows:

1. The estate gets cash instead of stock;
2. Trustee securities can be bought immediately;
3. Full value is obtained for the interest;
4. Goodwill is valued as outlined in the agreement and capitalized for cash;
5. The widow can have a sure income free from business hazards,
6. She will enjoy freedom from business worries of a most harassing nature.
7. Her continuous fight for rights is avoided.

It becomes apparent therefore that a Business Life Insurance Trust Agreement is highly desirable from the viewpoints both of the survivors and of the family of the deceased.

The agreement, being revocable by mutual consent, can be drawn to cover the time until a son is qualified to assume management. It can then be dropped and the cash taken out of the insurance policies which have financed it.

This is article four of a new series on Business Insurance, written for The Financial Post by R. M. Haultain. The next article of this series will examine three methods of financing the agreement which sells the interest of a deceased close corporation shareholder to the survivors.

Mr. Haultain is associated with the Toronto office of the London Life Insurance Co.

More Apples for Egypt

The second test shipment of New Brunswick apples for Egypt, boxed and specially selected and packed by the provincial Department of Agriculture, has gone forward and will be followed by a third, according to present intentions.

Can. Life Cuts Interest Rate Leaves Dividends Unchanged

Continuance of the 1933 dividend scale for holders of participating policies, is announced for the first six months of 1934 by the Canada Life Assurance Co. The same scale will be employed as during 1933.

Another important announcement is that the rate of interest on dividends and proceeds of policies left on deposit with the company will be 4½ per cent per annum as compared with 5 per cent last year. This new rate applies where interest payments become payable during the first 6 months of 1934.

Maturity and persistency dividends which were introduced in 1933 are also being continued and under annual dividend policies will be larger in 1934. Maturity dividends will be equal to the sum of the 1933 and 1934 annual cash dividends or paid-up additions, depending on the method of application of dividends selected by the assured.

Persistency dividends, as in 1933, will be 50 per cent of the corresponding maturity dividends and will be payable in 1934 on policies twenty-five and thirty years in force.

Under five-year dividend policies the basis employed in 1933 for maturity and persistency dividends is continued in 1934.

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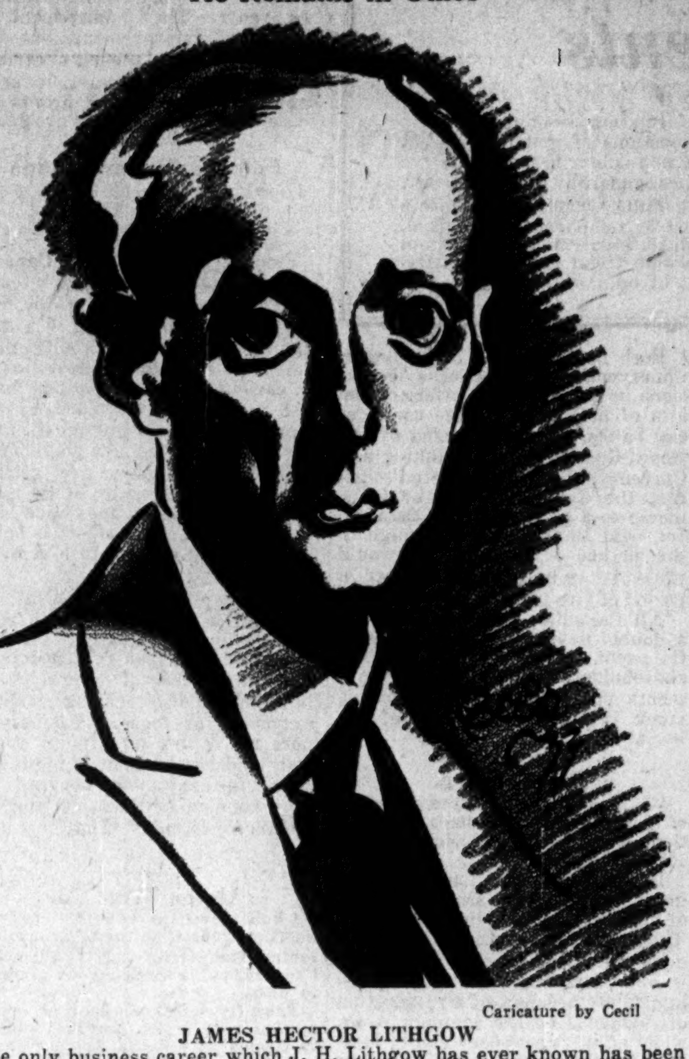

Caricature by Cecil

JAMES HECTOR LITHGOW

The only business career which J. H. Lithgow has ever known has been with the Manufacturers' Life Insurance Co. After many happy years at Trinity College School, Port Hope, he apprenticed himself as a clerk in the actuarial department of the Manufacturers' Life in 1908. In 1919 he became assistant actuary and in 1924 he assumed full control of that highly important department of a life company set-up. By 1930 he was assistant general manager of the company as well as actuary and in 1931, following the sudden death of J. B. McKechnie, he became general manager.

His standing among life insurance men may be gauged in part by the string of initials after his name: A.I.A., A.A.I.A., F.A.S., and by the fact that for the second year in succession he has been re-elected president of the Canadian Life Officers' Association.

Eighteen Fire Classifications Show Improvement in 1932

Although fire insurance losses in Canada were 7 per cent higher on the average last year than in 1931, a lower loss ratio was reported for 18 out of the 27 classifications for which data is collected by the federal insurance department at Ottawa. The figures are contained in the annual survey of fire insurance risks made by G. D. Finlayson, Dominion Superintendent of Insurance.

Best experience of the year, by classification, is that for breweries and malt houses, in this grouping, loss ratio for all federally licensed companies in Canada was but 6.5 per cent, or less than one-tenth of the 66.8 per cent loss ratio of the previous year. The five-year average for this classification shows a loss ratio of 35 per cent.

Many Groups Improve

Other important groupings to show improvement both for the year and against the 5-year average follow:

Wholesale stores, and all mercantile risks other than retail stores.
Canning factories.
Flour and oatmeal mills.
Grain elevators.
Laundries.
Machine shops.
Pork-packing and curing plants.
Street car barns.
Tanneries.
Wood-working plants.
Two and Three-year risks other than dwellings.

Lumber Yards Costly

Worst loss ratio for the year was shown by lumber yards which rolled up a 208 per cent ratio in 1932. This compares with a loss ratio of 62 per cent in 1931 and a five-year average of 69 per cent.

One of the best comparative showings for the year was that of tanneries. The 1932 ratio was only 21.5 per cent as compared with 171 per cent a year ago and 85.4 last year.

Foreign Companies Hit

Losses analyzed according to whether insurance companies were of British, foreign or Canadian origin, the records show that foreign companies fared worst in 1932, and Canadian companies got the lowest ratio. This confirms the experience of last year except that the foreign companies suffered a much higher ratio in 1932 than in the year before.

Detailed figures follow:

CLASSIFICATION OF FIRE INSURANCE RISKS IN CANADA, 1932

(A) ALL COMPANIES

	Net Premiums Written 1932†	Net Losses Incurred 1932†	Ratio of Net Losses Incurred to Net Premiums Written 1932	1931	5-yr. aver.
	$	$	%	%	%
Dwellings:					
(a) In protected municipalities	9,306,254	4,771,488	51.27	49.00	43.18
(b) In unprotected municipalities	3,186,489	2,787,783	87.49	77.36	69.87
(c) All other dwellings & farm prop.	2,925,948	2,689,121	91.91	93.91	83.84
All other 2 & 3 year risks	2,657,650	933,152	35.11	59.74	52.09
Mercantile risks:					
(a) Wholesale stores, warehouses etc.	1,317,800	709,266	53.82	71.85	68.48
(b) Retail stores	9,523,716	6,148,753	64.56	58.87	55.64
(c) All other merc. risks	1,006,365	339,324	33.72	52.08	42.94
Breweries & malt houses	142,393	9,233	6.48	66.81	35.13
Boot & shoe factories	35,237	51,573	146.36	110.88	133.26
Canning factories	244,140	38,484	15.76	35.72	41.01
Confectionery & biscuits	72,450	11,095	15.31	61.92	61.28
Flour & oatmeal mills	209,637	133,140	63.51	202.29	94.48
Grain elevators	1,047,482	443,674	42.36	47.10	67.32
Laundries	143,433	45,195	31.51	40.36	40.71
Sawmills	641,707	792,230	123.46	173.73	93.62
Lumber yards	707,152	1,469,400	207.79	61.67	69.30
Machine shops, etc.	692,887	221,967	32.04	40.29	45.87
Mining	595,418	295,009	49.55	21.42	53.03
Pork packing & curing	81,567	25,133	30.81	33.38	31.23
Pulp & paper	142,813	67,763	47.45	14.06	55.98
Street-car barns	180,705	92,167	51.00	85.53	55.28
Tanneries	21,929	4,703	21.45	171.41	85.41
Wood-working plants	532,340	218,505	41.05	66.15	54.49
Woollen & knitting mills	45,892	39,238	85.50	56.66	148.82
All other mfg. risks	2,180,913	1,013,485	46.47	56.47	56.79
All other 1 yr. & short risks	7,168,136	6,061,243	84.56	64.31	57.98
Sprinklered risks	3,233,410	1,494,700	46.23	25.48	39.60
Total	48,043,858	30,906,824	64.33	60.15	56.27

†Registered reinsurance deducted.

(B) BY TYPE OF COMPANY

	Canadian Co's. Net Premiums Written†	Canadian Co's. Loss Ratio*	British Co's. Net Premiums Written†	British Co's. Loss Ratio*	Foreign Co's. Net Premiums Written†	Foreign Co's. Loss Ratio*
Total, 1932	9,605,804	56.54	20,482,004	61.01	17,956,050	72.29
1931	10,546,727	57.29	21,830,028	60.18	19,637,849	61.66

*Ratio of net losses incurred to net premiums written.
†Less registered reinsurance.

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CANADIAN FIRE OPENS BRANCHES IN CALIFORNIA

Vancouver Manager is Moved to Los Angeles—Loss Ratio Down

By Staff Editor

WINNIPEG.—Announcement of two new branch offices in the United States has been made by Canadian Fire Insurance Co. with head office here. The new offices are at Los Angeles and San Francisco. Fire and automobile business will be written.

W. M. Scott formerly the company's manager at Vancouver and superintendent of the company on the Pacific Coast, has been appointed manager at Los Angeles. Associated with him will be M. Swan as branch secretary. N. H. Pistolesi will be the new manager at San Francisco.

Canadian Fire first pioneered in the California field in 1926 on a general agency basis and each year business volume has shown improvement.

Experience for the company as a whole in the first 10 months of 1933 has been very satisfactory, The Financial Post learns. Loss ratio to date has been at about the 40 per cent mark which compares very favorably with the average loss ratio of the majority of companies in Canada. Volume of business written, although still below last year's mark has shown steady improvement in each month from June to September, inclusive.

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Established 1869
Strength•
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Assurances in Force (Dec. 31, 1932) $517,967,974.00
Assets $132,198,392.72
Surplus Funds and Contingency Reserves, $11,853,105.72.
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
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HEAD OFFICE FOR CANADA
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WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE. PAYING DIVIDENDS RANGING FROM 20% TO 30%

The Evidence of Strength
An unbroken record of 49 years' insurance service, coupled with a conservative investment policy, consistent fair dealing and speedy settlement of claims, stands witness to this Company's stability.
All reinsurance effected through Lloyds of London, England. A deposit, as required by the Dominion Insurance Act, is maintained with the Federal Government.
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Est. 1884
The
PORTAGE LA PRAIRIE
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Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage
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If your company does not carry life insurance on the lives of your "key men" you are leaving unused, business assets that have a very tangible value these days.
Credit organizations are placing greater importance on the amount of life insurance carried in favor of a company large or small—and rightly so.
In the event of the death of an important officer or partner it provides immediate cash to liquidate his interest or pay off other obligations, and to avoid the embarrassment of dealing with his estate. It strengthens the company's financial position at a time when it comes under critical inspection. It avoids a strain on company resources.
THE GREAT-WEST LIFE Assurance Company has a plan of particular interest to every business director who can appreciate the part life insurance would play in strengthening his organization. Full details will be given gladly without obligation, and a copy of the company's latest financial statement will be sent on request.
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HOTEL REGISTER

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Again we've planned a real old-fashioned Christmas, with everything from filled stockings for the children to stuffed turkey for the whole family.

At night the Boardwalk is a carnival of lights and gaiety. It will be so much fun, you'll want to remember every minute. So come down Saturday and make Christmas last *three* days this year, or even longer. We celebrate all during Christmas week.

LOW FALL AND WINTER DAILY RATES NOW IN EFFECT

Per person (2 in a room, with bath)
In CHALFONTE . . . $5.50 to $8.50
In HADDON HALL . . . $6.50 to $10
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Larger Salmon Pack

With the season now virtually over, the B. C. salmon pack amounted to 1,245,437 cases up to November 11, according to returns to supervisor of fisheries. This is the largest pack in three years, comparing with a final pack of 1,081,031 cases in 1932 and 685,104 in 1931.

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CANADIAN PACIFIC 576

Bank Chat on Current Topics

Headed Higher

MOST bank men are agreed that the appointment of Graham F. Towers as assistant general manager of the Royal Bank is further conclusive evidence that this rising young banker is destined for the post of general manager of that bank at some future date. Mr. Towers is one of the few exceptions to the rule that university graduates rarely go into commercial banking. He made his entry as economist at head office in Montreal after graduating from McGill University with honors in political economy in 1919 and three years of war service before that. In 1921 he went to the West Indies in a minor capacity but rose rapidly in the ranks to return to head office in 1924 as foreign inspector. In this capacity he visited the branches of the bank in the West Indies, Central and South America, London, New York, Paris and Barcelona. Since 1929 he has spent all of his time in Canada, first as chief inspector of the bank, then as assistant to the general manager, now as assistant general manager.

* * *

Again in Circulation

FOR two years Canada has seen little United States currency in circulation except as some heedless tourist ran short of Canadian funds and was forced to fall back on his reserves of United States bills. Canadian travellers in the United States were forced to make sure that they carried sufficient United States funds otherwise they might be put to considerable trouble at some inland point when they tried to use Canadian funds. Now the situation is reversed as is evidenced by a sign in front of one Toronto theatre which informs patrons that United States funds will only be taken at a discount of 3 per cent.

At some border points the discount has been as high as 4 per cent. Canadian funds are again "honored" at par in some of the U. S. border cities. As U. S. funds fell to a discount in terms of Canadian funds bills and small change immediately put in an appearance. Accepted with some doubt, they were again put into circulation at the earliest possible moment. The unknown quantity of fluctuating exchange rates gave these United States bills some of the qualities of "stamp money" where it is to the advantage of the holder to pass this currency on as rapidly as possible to avoid a tax. It will be interesting to see how Canadians take to the proposed U. S. "rubber dollar" if this is ever placed in circulation. Will such currency pass muster in Canada or will it snap back at the passer? Or if both, Canada and the United States go on a "rubber" or commodity dollar can these dollars be made to bounce together?

Monarch Life Reports Gain In Business

By Staff Editor

WINNIPEG.—Paid for business placed by the Monarch Life Assurance Co. during 1933 has shown an increase in every month since February as compared with the corresponding monthly figure in 1932, according to J. A. Macfarlane, general manager of Monarch Life Assurance Co. with head office in this city. Business in force for the year will be lower than at the end of 1932, but due to gains in new business in all provinces in which the company operates, east of Saskatchewan, volume for the year is expected to show a small increase. Non-par business written in 1933 shows a substantial increase, with the total volume now approximating 40 per cent of total new business.

Demand for policy loans has decreased, according to Mr. Macfarlane, but demand for cash surrender values will show at a higher figure than a year ago. Death claims are at about the same level as in 1932.

No immediate changes in rates or policy conditions are contemplated at present according to Mr. Macfarlane but after the new year this matter will be given close study and some revisions may be made at that time, he indicated.

A favorable feature of the company's investment situation was said to be the way in which loans on city properties were standing up.

Current Events in Banking World

OCTOBER DEBITS SHOW 19 P.C. GAIN OVER LAST YEAR

All Five Economic Areas Show Improvement — Gain for Year 15.8 p.c.

For the sixth consecutive month the volume of bank debits shows an increase over the corresponding month of 1932 with the release of October figures. The October total of $2,823,400,000 represents a gain over October, 1932, of 19.3 per cent. Each of the five economic areas recorded gains. The October total also shows a gain over the total for September, in each economic area, but the gain was less than normal for the season and the index of bank debits, after seasonal adjustment was 97.1 in October as compared with 104.2 in September.

In the first ten months of 1933 there was a gain in total volume of bank debits of 15.8 per cent over the total in the corresponding period of 1932.

1. Bank Debits to Individual Accounts at the Clearing House Centres of Canada, October, 1933, With Comparative Figures for September, 1933, and October, 1932 (,000 omitted)

Prov. & Clear. House Centres	Oct. 1933 $	Sept. 1933 $	Oct. 1932 $
Maritime Prov.—			
Halifax	23,454	21,713	21,710
Moncton	6,571	6,831	5,715
Saint John	13,451	13,462	15,816
Ttl.—M. Prov.	43,476	42,006	43,241
Quebec—			
Montreal	725,589	674,849	631,102
Quebec	38,524	44,134	55,437
Sherbrooke	5,553	5,556	5,664
Ttl.—Quebec	769,666	724,540	692,203
Ontario—			
Brantford	8,290	6,583	7,470
Chatham	5,759	5,341	4,484
Ft. William	3,870	3,366	4,208
Hamilton	44,494	43,312	41,516
Kingston	4,407	4,420	4,789
Kitchener	9,109	7,252	8,207
London	28,206	22,616	26,296
Ottawa	106,763	80,824	89,546
Peterborough	4,191	3,713	4,046
Sarnia	7,383	9,236	9,225
Sudbury	3,801	3,575	3,212
Toronto	1,034,562	802,769	707,168
Windsor	14,414	14,243	17,265
Ttl.—Ont.	1,275,250	1,007,251	927,382
Prairie Provinces—			
Brandon	2,818	2,290	3,479
Calgary	50,269	47,342	50,997
Edmonton	32,056	27,161	33,965
Lethbridge	3,676	3,647	3,736
Medicine Hat	2,132	2,040	2,391
Moose Jaw	4,434	4,139	6,101
Pr. Albert	1,694	1,501	1,758
Regina	39,528	43,018	61,583
Saskatoon	9,478	8,385	11,487
Winnipeg	455,382	418,662	404,242
Ttl.—Pr. Prov.	601,468	558,185	579,739
British Columbia—			
N. W'minster	4,157	4,199	4,200
Vancouver	109,695	100,275	102,058
Victoria	19,645	20,652	18,355
Ttl.—B. C.	133,497	125,126	124,613
Grand Total for Canada	2,823,357	2,457,108	2,367,179

Weekly Bank Clearings

	Nov. 30 1933 $	Change year ago %	Nov. 23 1933 $
Halifax	1,832,261	—0.5	2,123,445
Saint John	1,480,815	+6.8	1,460,039
Sherbrooke	432,945	—15.9	474,146
Montreal	95,336,053	+20.5	98,431,254
Ottawa	3,764,633	—4.2	4,439,368
Kingston	447,656	—0.7	485,389
Peterborough	488,992	—13.1	501,743
Toronto	99,205,930	+28.0	104,538,777
Hamilton	2,934,720	—24.8	3,512,914
Quebec	3,428,952	+2.3	3,477,841
Kitchener	710,736	—6.5	919,180
Moncton	642,898	—8.3	736,912
Brantford	575,442	+17.1	698,611
Windsor	1,928,581	—2.2	2,176,780
London	2,106,205	+2.3	2,129,048
Chatham	443,877	+6.3	500,349
Sarnia	254,475	—14.8	503,120
Sudbury	560,667	+34.2	569,280
Ft. William	406,638	—8.5	538,241
Winnipeg	59,758,360	+85.6	50,146,310
Brandon	220,492	—25.2	272,724
Regina	3,165,715	+6.4	2,313,172
Moose Jaw	387,185	—16.8	515,582
Pr. Albert	202,544	—15.3	242,475
Saskatoon	1,038,265	—22.4	1,466,164
Edmonton	3,074,048	—8.6	3,427,701
Calgary	5,102,004	—20.3	5,359,645
Medicine Hat	212,882	+36.7	228,942
Lethbridge	333,337	+9.8	359,325
N. W'minster	378,663	+2.9	365,352
Vancouver	13,372,977	+15.1	14,287,880
Victoria	1,149,836	+2.0	1,351,346

Monthly Bank Clearings

	Nov., 1932 $	Nov., 1933 $
Halifax	8,514,631	8,684,197
Saint John	6,174,382	6,763,642
Sherbrooke	2,447,349	2,244,432
Quebec	17,564,729	17,141,432
Montreal	347,120,050	423,261,557
Ottawa	17,895,088	18,530,754
Kingston	2,284,266	2,268,275
Peterborough	2,564,819	2,487,658
Toronto	360,867,463	469,342,195
Hamilton	15,035,030	14,951,076
Kitchener	3,442,709	4,034,038
Moncton	2,929,842	2,881,343
Brantford	3,268,595	3,003,133
London	9,625,375	9,494,968
Sarnia	1,563,654	1,678,647
Sudbury	1,987,125	2,691,051
Fort William	2,647,214	2,395,278
Winnipeg	180,677,183	229,956,284
Brandon	1,474,085	1,283,360
Regina	16,829,186	15,461,665
Moose Jaw	2,450,450	2,182,041
Saskatoon	6,640,374	5,861,030
Prince Albert	1,182,323	1,131,135
Edmonton	14,951,628	14,508,577
Calgary	24,784,124	21,743,593
Medicine Hat	932,358	906,683
Lethbridge	1,701,736	1,765,643
New Westminster	1,709,810	1,723,460
Vancouver	54,265,069	58,920,182
Victoria	5,418,808	5,808,251

Demand Deposits Show $29,084,000 Increase

Bank Statement Shows Call Loans Abroad Sharply Reduced — Current Loans Higher — Savings Deposit Decline as Result of Federal Financing

Increase in demand deposits which more than offsets a decline in savings deposits, a substantial decrease in most liquid reserves but an increase in secondary reserves including current loans in Canada are among the chief features of the statement for the chartered banks as at the end of October. Possibly the most striking change is the decrease of $31,051,000 in call loans abroad which more than offset the increase of $28,557,000 in this item in the preceding month. On the other hand the amount owed by foreign banks increased by $7,242,000.

Current loans in Canada were increased by $7,388,000 as compared with $20,051,000 in the preceding month which had the largest gain to be recorded since April, 1929. Canadian call loans were only moderately higher probably reflecting the lack of activity on Canadian stock exchanges. Provincial loans increased by $5,804,000 but loans to municipalities continued to contract to the extent of $6,642,000.

Demand Deposits Up

Demand deposits were increased by $29,084,000, although for the fifth successive month savings deposits dropped. The decline in the latter item was $22,415,000, an abnormal drop that may be attributed to buying of Dominion bonds. Foreign deposits also dropped to the extent of $5,929,000. Balances due between banks showed little change which would distort the change in deposits.

Notes in circulation dropped by $8,013,000, but government advances under the Finance Act were increased by $600,000. Dominion notes held by the banks increased by $7,116,000. Liabilities to the Federal government were higher by $11,070,000. The statement of the chartered banks as at October 31, 1933, compared with figures for the preceding month and for the corresponding month in 1932, is as follows:

ASSETS

	Oct., 1933 $	Sept., 1933 $	Change $	Oct., 1932 $	Change $
Immediately Available Liquid Resources					
Specie	49,370,583	48,886,963	+483,620	55,030,726	—5,660,143
Dom. notes	134,330,661	127,214,267	+7,116,394	122,508,158	+11,822,502
Gold reserve	16,681,732	20,681,732	—4,000,000	21,381,732	—4,700,000
Foreign banks	92,628,125	85,386,023	+7,242,102	114,103,673	—21,475,548
Foreign curr.	19,111,472	19,172,422	—60,950	18,258,007	+853,465
Govt. secs.	661,510,868	663,157,371	—1,646,503	515,536,611	+145,974,257
Call loans ab'd.	94,971,171	126,022,215	—31,051,044	87,527,570	+7,443,601
	1,068,604,612	1,090,520,993	—21,916,381	934,346,478	+134,258,134
Loans and Securities Other Than Those of Canadian Government					
Pub. secs.	165,122,812	162,141,482	+2,981,330	159,630,442	+5,492,370
Railway secs.	55,030,983	55,690,262	—659,279	51,761,359	+3,269,624
Can. call loans	110,790,427	110,030,403	+760,024	117,209,722	—6,419,295
Current loans	912,211,074	904,822,716	+7,388,358	1,017,746,959	—105,535,885
Loans abroad	146,918,487	146,908,111	+10,376	159,039,913	—12,121,426
Prov. loans	23,038,839	17,234,456	+5,804,383	34,252,187	—11,213,348
Mun. loans	101,855,675	108,497,738	—6,642,063	109,213,441	—7,357,766
	1,514,968,297	1,505,325,168	+9,643,129	1,648,854,023	—133,885,726
Other Assets					
Non-curr. loans	13,918,958	14,277,970	—359,012	13,455,921	+463,037
Real estate	7,899,949	8,002,391	—102,443	7,610,203	+289,746
Mortgages	6,325,732	6,266,010	+59,722	6,549,360	—223,628
Premises	78,726,285	78,680,072	+46,213	79,586,569	—860,284
Lets. of credit	49,079,901	47,971,795	+1,108,106	47,275,804	+1,804,097
Loans to comp.	13,051,899	13,245,903	—194,004	13,040,088	+11,811
Other assets	1,588,630	1,548,376	+40,254	1,559,384	+29,246
	170,591,354	169,992,517	+598,837	169,077,329	+1,514,025
Total	2,754,164,263	2,765,838,678	—11,674,415	2,752,277,830	+1,886,433
Note cir. dep.	6,497,182	6,493,975	+3,207	6,597,825	—100,643
Int. bank bal.	108,004,473	94,093,986	+13,910,487	116,280,126	—8,275,653
Gross	2,868,665,918	2,866,426,639	+2,239,279	2,875,155,781	—6,489,863

LIABILITIES

	Oct., 1933 $	Sept., 1933 $	Change $	Oct., 1932 $	Change $
To the Public					
Circulation	133,042,841	141,055,653	—8,012,812	133,027,195	+15,646
Dom. Govt.	83,101,441	72,031,216	+11,070,225	44,757,798	+38,343,643
Prov. Govt.	29,084,985	27,474,878	+1,610,107	40,699,075	—11,614,090
Govt. advances	41,344,000	40,744,000	+600,000	27,500,000	+13,844,000
Deposits by Public					
Demand dep.	520,868,256	491,783,798	+29,084,458	493,284,841	+27,583,415
Savings dep.	1,349,769,247	1,372,184,120	—22,414,873	1,370,553,538	—20,784,291
Total	1,870,637,503	1,863,967,918	+6,669,585	1,863,838,379	+6,799,124
Foreign dep.	290,949,399	296,878,318	—5,928,919	324,510,561	—33,561,162
Due to Banks Abroad, Etc.					
United Kingdom	4,240,717	4,845,696	—604,979	4,539,904	—299,187
Foreign	27,796,203	30,446,515	—2,650,312	46,523,375	—18,727,172
Bills payable	1,387,999	2,164,532	—776,532	1,220,360	+167,639
Lets. of credit	49,079,901	47,971,795	+1,108,106	47,275,804	+1,804,097
Other liabs.	2,244,651	2,157,582	+87,069	2,128,596	+116,055
Total public liab.	2,532,909,640	2,529,738,103	+3,171,537	2,536,021,047	—3,111,407
Due bet. banks	12,476,155	12,205,531	+270,624	11,292,090	+1,184,065
Liability to Shareholders					
Dividends	967,158	643,818	+323,340	1,157,432	—190,274
Reserve	162,000,000	162,000,000	......	162,000,000	......
Capital	144,500,000	144,500,000	......	144,500,000	......
Gross	2,852,852,953	2,849,087,452	+3,765,501	2,854,970,569	—2,117,616
Credit index*	54.6%	54.4%	+0.2%	60.9%	—6.3%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

NEW SUPERVISORS FOR IMPERIAL BANK

Winnipeg, Regina and Toronto Affected by Staff Changes

Important staff changes have recently been made by the Imperial Bank of Canada, The Financial Post learns.

Alex Young, formerly bank supervisor at Winnipeg, has been appointed supervisor at head office, Toronto. His place is being taken by W. L. Gilliland, formerly manager of the bank at Regina, who now goes to Winnipeg as supervisor.

R. M. Virtue, formerly inspector at Toronto also goes to Winnipeg as assistant supervisor.

Winnipeg office remains as before in charge of G. D. Ritchie, western superintendent of branches for the bank.

Staff Changes

The **Bank of Montreal** announces the following staff changes:

A. A. REID, manager at Cobden, Ont., goes to Knowlton, Que., as manager.

J. C. WISEMAN, manager at Knowlton, Que., is appointed manager at Walker Road branch, Walkerville, Ont.

R. G. ROSS, manager at Walker Road, Walkerville, goes to Little Current, Ont., as manager.

S. D. WHALEY, manager at Little Current, Ont., is appointed manager at Lucknow, Ont.

C. L. OBERLE, manager at Lucknow, Ont., is appointed manager at Kingsville, Ont.

M. W. BOND, manager at Hughenden, Alta., is appointed manager at Vegreville, Alta.

The **Bank of Toronto** announces the following staff changes made during November:

H. R. WARREN is appointed manager of Roncesvalles Ave. branch, Toronto.

B. F. JOYCE succeeds H. R. Warren at Trenton.

G. KAY succeeds B. F. Joyce as manager at Preeceville, Sask.

G. M. S. COWAN, is appointed acting manager at Fairlight, Sask., succeeding G. Kay.

H. E. LAMBERT, is appointed manager at Newmarket, Ont., succeeding F. A. M. Lister who is retiring on pension.

F. C. MILLARD succeeds H. E. Lambert as manager at Dunnville, Ont.

J. E. CONN succeeds F. C. Millard as manager at Vanguard, Sask.

M. E. KERR succeeds J. E. Conn as manager at Mazenod, Sask.

H. E. BURNS, head office staff, is appointed manager at Creemore, Ont., succeeding B. T. Ferguson who is retiring on pension.

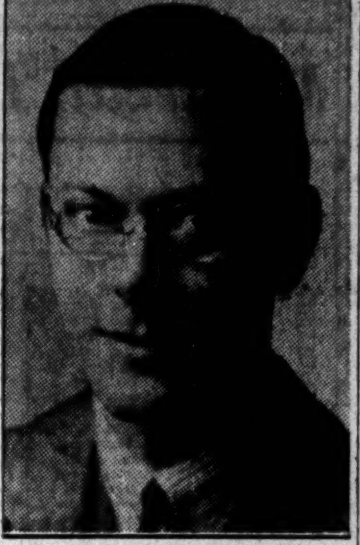
W. N. BRADLEY succeeds T. B. Chester as manager at Elmvale, Ont.

C. E. BEIRNES, of the western department, Winnipeg, succeeds W. N. Bradley as manager at Kennedy, Sask.

Branch Changes

A. D. HENDERSON, for 14 years manager of the Beamsville, Ont., branch of the Canadian Bank of Commerce, has been transferred to Cayuga, Ont. A. M. CARTHEW, manager at Cayuga, succeeds Mr. Henderson as manager at Beamsville.

Royal Bank Executive



GRAHAM F. TOWERS

Formerly assistant to the general manager, who has been appointed assistant general manager of the Royal Bank of Canada.

Foreign Exchange

QUIETLY but surely the price of gold in London has been dropping since late October, with the result that the pound sterling has been rising steadily toward 70 per cent of gold parity. This has been obscured by the decline of sterling in the United States. The London price of gold is taken as indicating the metallic value of sterling because all bullion offered is marketed at the daily price, whereas the American gold price is believed largely fictitious in relation to world transactions.

The drain of gold from France has been continuing. As budget crisis succeeds budget crisis, the possibility of some restriction on gold policy in France comes nearer to realization. The franc has held up firmly, but British purchases are believed to have helped this, and the cost to France has been loss of gold.

* * *

CANADIAN and American dollars have been moving in close sympathy. The premium on Canadian dollars, considered unjustifiable, has been relatively steady, whatever the gyrations of the American money in terms of gold.

New studies of purchasing power parities indicate that the pound is too high and the American dollar too low. On the basis of the last two years experience, however, it appears possible, if not probable, that the Canadian dollar will remain between sterling and the dollar. If, therefore, the present premium on sterling persists in the United States, the Canadian dollar may remain at a small premium in New York. If sterling goes to a substantial discount in New York, it is also possible that it would be at a discount in Canada.

FOREIGN EXCHANGE

New York Funds

	High (Discount) %	Low (Discount) %	Last Year High (Premium) %	Last Year Low (Premium) %
Nov. 28	1 3-16	1 3-4	19 1-4	18 1-4
Nov. 29	1 1-2	2	19 3-4	18 7-8
Nov. 30	1 1-2	1 3-4	18 1-2	17 1-2
Dec. 1	1 7-16	2	17 1-4	16 1-2
Dec. 2	1 1-8	1 3-4	17 3-4	16 1-2
Dec. 4	3-4	1 1-2	18 1-2	17 7-8

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Nov. 28	5.17	.0614	.0832
Nov. 29	5.20	.0618	.0837 1-2
Nov. 30	...	...	...
Dec. 1	5.18 1-2	.0614 1-2	.0828
Dec. 2	5.16 1-4	.0610	.0821
Dec. 4	5.08	.0602	.0810

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Nov. 28	5.12 1-4	0.0611	0.0822
Nov. 29	5.10	0.0606	0.0818
Nov. 30	5.09 1-2	0.0604	0.0812
Dec. 1	5.08 1-2	0.0604	0.0814
Dec. 2	5.09 1-4	0.0602	0.0810
Dec. 4	5.05 1-2	0.0599	0.0808

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Nov. 28	0.3733	0.2183	0.3099
Nov. 29	0.3733	0.2161	0.3086
Nov. 30	0.3685	0.2146	0.3068
Dec. 1	0.3689	0.2148	0.3091
Dec. 2	0.3679	0.2138	0.3091
Dec. 4	0.3666	0.2135	0.3098

Mr. Picobac is back home —a broader Canadian

The brass band of Essex Centre and a large majority of his fellow-citizens met Mr. Picobac at the station, welcomed him home and escorted him uptown in Roman triumph, on his return from a 34-week tour of investigation into Canadian smoking conditions.

"Travel," said Mr. Picobac, from the steps of the Post Office, in his address of acknowledgement, "Travel broadens a man. Since last I looked into the friendly faces of my fellow-citizens I have seen Canada . . . I have seen her under the conditions of today . . . I have seen the fruitful East and I have seen the boundless West. And I am a broader Canadian than when I went away." (Cheers)

"Canada has had her ups and downs. Canada has known depression. But I want to tell you Canada is all there." (Cheers)

"From the Atlantic to the Pacific I found courage . . . I found faith . . . I found pride and confidence. And everywhere I felt a new stir of business. Canada has climbed out of this depression—there is no doubt of it. She is going forward on the line of her great destiny."

• • •

Mr. Picobac has completed his tour. He found Picobac "the pick of Canada's burley crop, grown in Sunny Southern Ontario," the all-Canadian idea of a mild . . . cool . . . sweet smoke, and already a "best seller" everywhere.

And now on his return Mr. Picobac learns with pleasure that, due to its ever-increasing popularity, a reduction in the price of Picobac has been put into effect. Try a tin of Picobac to-day.

—and don't forget, you get more tobacco for your money. Good for making cigarettes, too.

Handy pocket tins now 10¢

½lb. tins Now Reduced from 75¢ to 60¢

"IT *DOES* TASTE GOOD IN A PIPE!"

Picobac

Imperial Tobacco Company of Canada, Limited

Rule Fabrique Bankrupt Due to Curé's Speculations

Declaration of bankruptcy of the fabrique of the parish of St. Gabriel de Brandon, Que., at Montreal recently marked the first occurrence of its kind on record. The fabrique, the financial organization of a parish, was found to have liabilities of $320,000 through alleged speculations of Chanoine Pauze, former curé. Pauze has disappeared.

The fabrique defended the bankruptcy action with the plea that it was not responsible for the speculations. However, the court ruled that passing of books by the warden, parish priests and bishops, constituted negligence. This settles the formerly disputed question of whether a parish can be forced into bankruptcy.

Gravel Elected to Board Banque Canadienne Nat'le

From Our Own Correspondent

MONTREAL. — C. E. Gravel has been elected to the board of directors of the Banque Canadienne Nationale to fill the vacancy caused by the death of Senator F. L. Beique. Mr. Gravel is also a director of Dominion Oilcloth & Linoleum Co., St. Lawrence Flour Mills and the Great American Insurance Co. of New York.

MONEY ORDERS

STERLING FUNDS

Money Orders in Canadian or American Dollars also at every Branch.

Sterling Money Orders sold by this Bank may be cashed at current rates of exchange in all countries.

Use Imperial Bank of Canada Money Orders for safety and convenience.

IMPERIAL BANK OF CANADA
HEAD OFFICE • TORONTO
Capital and Reserve $15,000,000

FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
A. E. Phipps, General Manager

BRANCHES THROUGHOUT CANADA

Position of Chartered Banks of Canada as of October 31, 1933, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Balance Due to Dominion Government $	Advances under Finance Act $	Balances Due to Provincial Governments $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorized $	Capital Subscribed $	%Last dividend %	*Loans to Directors and firms of which they are partners $	Average gold and Coin Held $	Average Dominion Notes Held $	Greatest amount of notes in Circ. $
Montreal	33,819,807	43,706,531	9,000,000	8,178,778	142,137,725	380,202,491	60,470,572	1,779,153	840,326	4,031,130	258,578	6,151,280	1,642,442	731,638	38,000,000	36,000,000	766,950,457	50,000,000	36,000,000	8	1,302,949	17,077,716	47,733,547	36,342,852
Nova Scotia	11,440,156	5,515,458	3,214,000	1,359,357	35,340,926	130,100,727	34,438,002	2,230,082	121,459	1,612,026	412,732	5,692,502	108,839	13,845	24,000,000	12,000,000	267,600,118	15,000,000	12,000,000	12	3,017,986	9,016,175	11,380,975	12,043,840
Toronto	6,060,434	5,142,299	1,500,000	1,097,128	22,468,342	63,976,363		994,974	216,852	1,026,506	508,200	1,263,556	146,896	2,866	9,000,000	6,000,000	119,404,422	10,000,000	6,000,000	10	805,825	371,500	5,671,800	6,609,229
Provinciale	3,660,595	441,126	600,000	74,703	4,112,794	31,069,716		30	....	61,420	....	162,402	2,589	4,588	1,500,000	4,000,000	45,689,967	5,000,000	4,000,000	6	642,416	209,614	435,158	3,837,680
Commerce	24,404,932	11,481,118	7,000,000	3,893,009	119,182,282	273,913,317	37,405,981	1,510,336	587,479	7,699,103	57,765	13,652,464	....	13,152	30,000,000	30,000,000	560,801,033	50,000,000	30,000,000	8	4,615,328	11,689,000	22,602,000	26,175,361
Royal	30,576,287	11,309,868	9,000,000	6,867,975	131,846,725	259,614,503	155,860,741	861,857	455,606	9,914,240	150,724	19,011,062	53,037	17,947	35,000,000	35,000,000	705,540,579	50,000,000	35,000,000	8	2,458,215	8,832,947	20,250,393	32,743,814
Dominion	6,159,763	1,227,742	6,956,000	806,117	22,360,069	60,121,165	1,590,053	1,273,218	86,072	726,824	....	1,487,990	287,797	2,655	9,000,000	7,000,000	119,083,469	10,000,000	7,000,000	10	1,158,830	654,000	1,754,000	6,654,638
Nationale	8,757,614	1,250,925	2,400,000	1,901,735	16,942,448	76,697,391	1,184,050	833,670	49,715	246,448	....	486,943	....	3,931	7,000,000	7,000,000	124,784,873	10,000,000	7,000,000	10	331,803	907,577	1,795,792	8,968,204
Imperial	7,900,218	2,792,066	1,590,000	4,756,093	24,667,497	72,233,392	....	2,799,775	88,662	814,044	....	1,091,531	....	176,536	8,000,000	7,000,000	133,909,819	10,000,000	7,000,000	10	414,255	483,711	6,103,725	8,773,063
Barclays (Canada)	263,035	234,308	84,000	150,000	1,809,448	1,840,182	....	193,060	1,794,546	1,664,462	....	80,171	3,000	....	500,000	500,000	9,116,216	500,000	500,000		....	11,857	92,827	293,240
Total	133,042,841	83,101,441	41,344,000	29,084,985	520,868,256	1,349,769,247	290,949,399	12,476,155	4,240,717	27,796,203	1,387,999	49,079,901	2,244,600	967,158	162,000,000	144,500,000	2,852,852,953	210,500,000	144,500,000	......	14,747,607	49,254,097	117,829,217	142,442,132

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin $	Dominion Notes $	Notes of other banks $	United States and other foreign currencies $	Cheques on other banks $	Balances due from other banks in Canada $	Due from banks in U.K. $	Due from banks elsewhere $	Government securities $	Canadian municipal British and foreign securities $	Railway and other Bonds and Stocks $	Call loans in Canada $	Call loans elsewhere $	Other current loans in Canada $	Other current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Letters of Credit $	Deposit for note circulation $	In central gold reserves* $	Shares of and loans to controlled companies $	Other assets $	Total assets $
Montreal*	17,003,400	57,309,053	2,614,277	370,763	24,339,598	....	1,787,459	23,658,693	266,818,770	39,478,461	11,185,055	7,607,169	36,354,280	201,618,950	11,807,865	8,068,837	26,486,723	3,902,884	516,227	1,216,523	14,500,000	6,151,280	1,589,618	4,000,000	87,046	62,964	768,535,908
Nova Scotia	9,069,157	12,586,988	944,529	2,001,226	9,071,042	....	627,206	3,937,843	56,311,420	19,075,111	7,496,834	13,728,744	2,781,014	91,333,352	12,408,499	2,700	8,491,070	980,281	....	101,636	7,665,145	5,692,502	527,238	1,250,000	2,769,994	113,294	268,966,835
Toronto	388,665	6,729,453	473,265	23,783	5,464,490	....	1,650,832	1,750,445	35,386,542	8,144,810	1,004,142	4,862,047	....	43,592,575	....	....	4,545,435	406,561	....	69,647	3,735,570	1,263,556	315,801	630,866	....	....	120,438,483
Provinciale	237,111	343,046	411,210	52,064	1,730,737	902,127	30,700	156,751	9,644,400	4,920,826	3,456,062	5,112,061	....	14,129,281	....	....	1,174,823	169,569	599,931	379,675	2,166,722	162,402	195,400	....	....	187,118	46,182,025
Commerce†	11,912,092	18,773,597	1,904,805	742,509	16,778,714	6,252	2,074,017	11,709,334	109,989,562	43,452,615	13,644,232	31,356,615	21,895,723	183,616,039	15,259,123	6,854,939	29,894,314	2,988,047	2,717,712	2,569,402	14,944,116	13,652,464	1,250,000	4,000,000	3,808,960	433,000	566,227,954
Royal‡	8,672,820	24,852,362	2,534,824	15,787,616	22,275,171	6,213	2,766,639	33,389,334	107,523,541	27,101,127	12,035,267	29,040,532	31,395,590	216,798,869	106,679,581	1,729,502	11,137,305	4,352,831	2,564,919	860,325	17,228,621	19,011,062	1,500,000	3,000,000	6,385,899	498,385	709,128,327
Dominion	665,934	3,198,936	692,620	48,993	4,213,249	1,546	139,877	1,223,014	24,835,886	5,658,183	2,474,025	7,298,667	2,544,564	55,770,815	711,445	....	1,299,370	399,730	70,784	27,453	5,981,986	1,487,990	302,300	400,000	....	129,908	119,577,161
Nationale§	916,744	1,026,361	729,305	61,510	3,764,609	248,900	70,253	617,332	27,016,763	10,897,442	3,538,626	5,207,371	....	46,718,630	51,974	3,504,286	10,286,543	462,120	1,263,651	670,842	6,054,125	486,943	358,611	2,000,000	....	62,435	126,015,386
Imperial	492,147	9,469,309	423,825	22,040	6,024,037	656,301	990,007	2,444,652	22,849,083	6,209,590	165,890	5,987,721	....	57,465,120	....	2,878,575	8,540,192	238,361	166,745	430,230	6,000,000	1,091,531	443,419	1,400,866	....	101,430	134,491,101
Barclays (Canada)	12,513	41,556	16,485	908	400,309	1,376,333	3,288,737	315,000	1,134,901	184,647	30,850	589,500	....	1,167,443	....	....	....	18,574	....	....	450,000	80,171	14,795	....	....	....	9,122,728
Total	49,370,583	134,330,661	10,744,845	19,111,472	94,061,956	3,197,672	13,425,727	79,202,398	661,510,868	165,122,812	55,030,983	110,790,427	94,971,171	912,211,074	146,918,487	23,038,839	101,855,675	13,918,958	7,899,949	6,325,732	78,726,285	49,079,901	6,497,182	16,681,732	13,051,899	1,588,532	2,868,665,918

*Of this deposit $5,181,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

A. J. Pattison, Jr. & Co. LIMITED
(Established in 1907)
Unlisted Bonds and Stocks
3rd Floor, Royal Bank • Toronto, Can.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING DECEMBER 4

Frontenac Breweries Defaults on Obligations

Property Controlled by National Breweries Defers Interest and Passes Up Sinking Fund — National's Offer to Exchange Stock Still Holds Good

From Our Own Correspondent

MONTREAL.—Frontenac Breweries Ltd., controlled by National Breweries, failed to meet interest payments due December 1 on its 6 per cent first mortgage bonds. Under the terms of the trust deed the company has six months grace in which to make good on the default.

Not only has Frontenac Breweries defaulted on its bond interest, but it has failed to provide for sinking fund payments as called for in the trust deed securing the issue.

Another interesting feature of the situation is that while Frontenac has defaulted on its bonds, National Breweries offer to holders of the capital stock of the company still holds good. Last June National Breweries offered to exchange its own stock for that of Frontenac Breweries on a share for share basis.

Details of Capital

Frontenac Breweries is now in its 22nd year of operation. Its property consists of a large brewery in Montreal with a daily capacity of 1,000 barrels. At the time of its formation $700,000 of 6 per cent first mortgage bonds were sold. In 1919 a further block of $400,000 was sold to the public at par with a bonus of 10 per cent common stock. The capital stock is now made up of $375,000 of 7 per cent preferred stock and $910,000 of common stock.

Over the next decade the company experienced various degrees of prosperity. Interest payments were met promptly, but dividends on the capital preferred stock were in arrears of over 35 per cent by the end of 1921. No dividends had been paid on the common stock up to that time or since then.

In 1922 the company took steps to clear up the arrears of preferred dividends. Regular dividends were instituted in that year and in 1924, arrears were cleaned up by the payment of 35 per cent—10 per cent in cash and the balance in preferred stock.

Full dividends were paid on the preferred stock in the following year, when a price war broke out in the Montreal area. Competition existed mainly between Frontenac and National Breweries.

Bought Out Control

The price war culminated early in 1926 when National Breweries obtained control of the property through offering the shareholders $120 a share for both preferred and common shares. No statement has been officially made as to the amount of stock sold to National Breweries. That stock is still outstanding in the hands of the public is apparent from the current offering.

From 1926 to date no dividends have been paid on either the preferred or common shares. Bond interest payments were met regularly and by the end of 1932 the sinking fund had reduced the outstanding funded debt to $872,900.

Did Not Earn Way

In recent years Frontenac has failed to earn its way. For the past three years trading profit, before depreciation, etc., has amounted to around $50,000 annually as against interest requirements averaging $55,000.

Working capital position also has been unsatisfactory, the excess of current liabilities over current assets increasing from $51,651 in 1930 to $113,633 in 1932.

Principal item among the current liabilities is a demand loan. This amounted to $490,000 in 1930; $571,900 in 1931 and $606,214 in 1932.

GUELPH CARPET EARNS DIVIDEND INVESTMENTS UP

Working Capital Position Stronger — Retires 101 Preferred Shares

Despite reduction in net earnings, Guelph Carpet & Worsted Spinning Mills Ltd., earned preferred and common dividends paid in the year ended September 30, 1933, increased surplus account and reported an improvement in the already strong liquid position. Net earnings from operations are shown at $138,312 as compared with $152,118 in 1932 and $166,103 in 1933. After provision for depreciation and taxes and after including increased income from investments, the company earned $9.95 per share on the 6½ per cent preferred stock as against $10.61 per share in 1932. During the year 101 shares of preferred were redeemed. The company earned 72 cents per share on the 35,000 shares of common stock outstanding and paid dividends amounting to 50 cents per share.

In the latter part of the company's fiscal year business conditions showed some improvement. Only minor expenditures on fixed assets were made. Income and surplus account is as follows:

Years Ended Sept. 30

	1933 $	1932 $
Net earnings	138,312	152,118
Less: Depreciation	64,461	63,993
Net oper. profit	73,851	88,125
Add: Divds. received	......	1,342
Int. & other earn.	12,217	6,493
Less: Prov. for taxes	13,000	17,000
Net profit	73,068	78,960
Less appropriations:		
Preferred divds.	47,910	51,659
Common divds.	17,500	8,750
Surplus for period	7,658	18,551
Add: Prev. surplus	59,183	40,632
Balance forward	66,841	59,183

Working capital of the company is increased to $835,540 from $796,118. Investments(including call loans, are up to $337,316 from $232,973 and accounts receivable are up to $196,677 from $154,801. Inventories are down to $334,359 from $389,913 and cash to $6,933 from $35,997. Current liabilities consist chiefly of reserve for taxes of $14,313. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	875,285	813,684
Current liabs.	19,745	17,566
Working capital	855,540	796,118
Ratio	44.32—1	46.32—1

Included in fixed assets are land and buildings at $478,316 and plant, machinery and equipment at $590,733. Reserve for depreciation amounts to $266,318 Prepaid insurance and taxes are down to $2,459 from $13,312 and life insurance premiums paid are up to $12,570 from $8,380. Goodwill remains at $1. Preferred stock is carried at $734,300 and common stock at $554,172. Surplus account is increased to $317,987 from $313,949 and profit and loss account to $66,842 from $59,183.

McFarlane, Bailey, Join Canada Malting Board

C. D. McFarlane, Montreal, and George Bailey, Winnipeg, were added to the board of directors of Canada Malting Co. at the annual meeting held on November 30. This brings the number of directors to 10 in compliance with a bylaw approved at the annual meeting.

In addition to the two new directors, the board consists of H. C. Hatch, Arnold C. Matthews, W. H. Mara, Eric S. Clarke, I. M. McCarthy, E. G. Long, K.C., Charles H. S. Michie, E. Ward Wright, K.C., all of Toronto.

Plenty of Grain Seed

The forage crop field inspections in Saskatchewan this year show that there will be some 600,000 pounds of bromo grass seed of this year's production; 160,000 pounds of western rye grass; 350,000 pounds of sweet clover rye grass and about 60,000 pounds of alfalfa seed.

WINERIES EARNINGS INCREASE OVER 1932

Establishing New Plant at Lewiston to Deliver in July

Dividend of 10 cents a share on 100,000 shares of common stock of Canadian Wineries Ltd., is assured in January in view of the fact that actual profit for the six months ended October 31, 1933, after full provision for depreciation, amounted to $27,000 as compared with a net profit of $7,154 for the whole of the preceding fiscal year.

This information is contained in a letter going forward to shareholders over the signature of K. H. Smith, managing director. Mr. Smith also reports progress in the company's plan for establishing a plant at Lewiston, N.Y. This point in New York State is chosen because it is convenient to all grape growing centres in the northeastern part of New York State and also so close to the company's establishment in Niagara Falls, Ont., that there will be little increase in administrative organization. Deliveries from the plant in Lewiston are expected not later than July, 1934.

Mr. Smith states that definite proposals have been made to the company to purchase the entire initial output of the United States plant.

Can See No Present Need For Bridge at Vancouver

No immediate need is seen for a bridge across the First Narrows, according to a report of the Vancouver Board of Trade committee consisting of D. G. G. Phillips, chairman, R. McKee, E. G. Baynes, J. P. E. Malkin and Cecil Killam. The committee believes that during its first years of operation such a bridge would seriously detract from the revenue producing powers of both the Second Narrows Bridge and the North Vancouver ferry. It is further held that before such is commenced, funds to cover full construction costs should be deposited in Vancouver or that a bond should be furnished. Every effort should be directed toward eliminating whatever difficulties may exist in the free and uninterrupted use of Vancouver harbor and it is proposed that if a bridge be built that it should provide for a channel 1,800 ft. width instead of 1,500 ft. as proposed.

Northwestern Utilities Rates Approved by Utilities Board

Revised schedule of natural gas rates, proposed by the Northwestern Utilities, Ltd., to give a reduction to the larger consumers has been approved by the Alberta board of public utilities commissioners, and will be retroactive to Oct. 28 and will continue in force until April 26.

In regard to the city's contention that there should be a general reduction in rates, affecting all classes of consumers and ranging from 10 to 25 per cent, the board says that this contention appears to be a "mere expression of opinion" on the part of the city council and, in any event, could only be decided at a formal rate hearing.

The new optional schedule is:

For the first thousand cubic feet per month, $1.90.

For the next thousand cubic feet per month, $1.00.

For the next 58 thousand cubic feet per month, .30 per M.

For the next 940 thousand cubic feet per month, .25 per M.

For the next 500 thousand cubic feet per month, .23 per M.

For the next 1,500 thousand cubic feet per month, .18 per M.

Output of Studebakers Creates November Record

Studebaker Corporation of Canada announces that sales during November exceeded any previous November during the 22 years of its operation.

According to D. R. Grossman, vice-president and general manager, a large number of unfilled orders carried over from November together with December orders indicate a new all-time record for December business for the corporation.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

December 5, 1933

		Bid December 5	Asked December 5	Bid Nov. 28
Industrial Bonds:				
Abitibi P. & P. 5% 1953	F	20.00	21.50	19.00
Abitibi P. & P. C.O.D.	F	17.50	18.00	17.00
Acadia Sugar 6% 1946		92.50	94.50	91.50
Alta. Pacific Grain 6% 1946		69.00	71.00	66.00
American Sales Book 6% 1939		97.00	....	97.00
Asbestos Corp. 6% 1941	F	29.50	32.50	29.00
Asbestos Corp. 5% 1942	F	45.00	....	45.00
B. A. Oil 5% 1945		99.25	100.00	99.00
B. C. Pulp 6% 1950	F	47.00	50.00	49.00
B. C. Pulp 7% 1950	F	13.50	....	14.00
Burns 5½% 1948	F	28.00	30.00	29.50
Can. Biscuit 6½% 1946	F	15.00	18.00	17.50
Can. Bread 6% 1941		93.50	95.50	94.00
Can. Cement 5½% 1947		75.50	76.50	75.00
Can. Steamship 6% 1941	F	18.00	19.00	17.25
Can. Canners 6% 1950		96.50	98.00	97.00
Can. Copper Refin. 6% 1945		104.00	105.50	104.00
Can. Cottons 5% 1940		94.00	96.00	92.00
Can. Vickers 6% 1947		46.00	48.00	44.00
Cons. Invest. 4½% 1959	F	54.00	55.00	53.50
Davies, Wm. 6% 1942		97.00	98.50	96.50
Debenture & Sec. 4% 1936		59.00	62.00	59.00
Dom. Tar & Chemical 6% 1949		63.00	66.00	62.00
Dom. Telegraph 5½% 1978 A		80.00	85.00	85.00
Dom. Textile 6% 1949		104.50	105.50	104.50
Dom. Woollens 6% 1948	F	20.00	....	19.50
Donnacona Paper 5½% 1948	F	24.00	26.00	23.50
Eastern Dairies 6% 1949		63.00	65.00	63.00
Famous Players 6% 1948		73.25	74.00	72.50
Federal Grain 6% 1949		68.00	70.00	65.00
Firestone Tire 7% 1937		104.50	106.00	104.50
Fraser Co. 6% 1942	F	41.50	43.50	42.00
Galt Brass 7½% 1941	F	25.00	....	22.00
Fraser Co. 6% 1950	F	25.00	28.00	23.00
General Steel Wares 6% 1952		52.50	54.00	51.50
Goodyear Cotton 6% 1949		102.50	103.50	101.50
Great Lakes 6% 1950	F	18.50	19.50	19.50
Gypsum, Lime & Alab. 5½% 1948		43.00	44.00	42.00
Hamilton By-Prod. 7% 1943		88.00	89.00	86.50
Harris Abattoir 6% 1947		101.00	103.00	101.00
Howard Smith 5½% 1953		73.00	75.00	72.00
Lake St. John 6½% 1947	F	35.00	35.50	30.00
Lake St. John 6½% 1942	F	10.00	11.00	9.50
Loew's Toronto 6% Serial		97.00	....	97.50
Maple Leaf Milling 5½% 1949		33.00	36.00	34.00
Massey-Harris 5% 1947		58.00	60.00	58.50
McColl-Frontenac 6% 1949		95.00	96.00	94.50
McKinnon Industries 6½% 1945		93.00	....	93.00
Mercury Mills 5½% 1953		53.00	55.00	52.00
Minn. & Ont. 6% Serial	F	7.50	8.50	7.00
Price Bros. 6% 1943	F	57.00	59.00	55.00
Provincial Paper 5½% 1947		87.00	88.00	87.00
Simpsons Ltd. 5½% 1949		73.00	76.00	70.00
Simpsons Ltd. 6% 1949		76.00	77.00	76.00
Steel of Canada 6% 1940		105.00	106.50	104.50
Stop & Shop 6% 1947		71.00	73.00	71.00
Toronto Carpet 6% 1944		90.00	....	87.00
United Corpns. 5% 1953	F	63.50	64.50	63.50
United Gas & Fuel 5½% 1948		62.50	67.00	63.00
United Grain Growers 5% 1948		68.00	70.00	70.00
United Grain Growers 5½% 1949		75.00	78.00	76.00
Wabasso Cotton 7% 1942		70.00	75.00	70.00
Western Grain 6% 1949		....	45.00	....
Public Utility Bonds:				
Bell Telephone 5% 1955		101.50	102.00	101.25
B. C. Power 5½% 1960		91.75	92.75	94.00
B. C. Telephone 5% 1960		94.75	95.75	95.00
Calgary Power 5% 1960		84.50	85.50	84.00
Can. Northern Pwr. 5% 1953		78.50	80.00	79.50
Duke-Price Pwr. 6% 1966		71.00	72.00	69.50
French Nat'l Mail S.S. 6% 1952		115.00	125.00	130.00
Gatineau Pwr. 6% 1941 A		67.50	68.00	66.00
Gatineau Pwr. 5% 1956		77.00	77.75	77.00
Maclaren-Quebec 5½% 1961		80.50	81.00	80.50
Manitoba Power 5½% 1951		33.50	36.50	34.00
Montreal LH&P 5% 1970		103.00	105.00	102.00
Montreal Tram. 5% 1941 July		95.00	98.00	95.00
Northwest Utilities 7% 1938		99.00	....	98.50
Ottawa Valley Pwr. 5½% 1970		100.00	102.00	100.00
Quebec Power 5% 1968		92.00	93.00	90.00
Rio Tramways 5% 1935		101.00	104.00	101.00
Shawinigan W. & P. 5% 1970		81.50	82.50	84.00
Shawinigan W. & P. 6% 1937		95.50	96.50	95.50
Southern Can. Pwr. 5% 1955		97.50	98.50	97.00
West Kootenay Pwr. 5% 1956		98.50	99.50	98.50
Realty Bonds:				
Albert Bay 6½% 1942		47.00	....	40.00
Balfour Bldg. 6% 1943	F	36.00	40.00	36.00
Bloor St. George 7% 1946	F	31.00	33.00	31.00
Clarendon Apts. 7% 1936	F	27.00	30.00	26.00
Eaton Realty 5% 1949		87.00	89.00	87.00
Godfrey Realty 6% 1942	F	30.00	32.00	26.00
General Brock Hotel 6% 1948	F	17.00	....	15.00
London Realty 6½% 1950	F	41.00	44.00	38.00
Lord Nelson Hotel 4% 1947		....	50.00	52.00
Mayor Bldg. 6½% 1942		30.00	33.00	28.00
Metropolitan Bldg. 7% 1944		83.00	....	80.00
National Realty 7% 1945	F	23.00	25.00	23.00
Northern Ont. Bldg. 6½% 1939		71.00	73.00	71.00
Richmond Bay 6½% 1947		65.00	68.00	68.00
Windsor Hotel 6% 1947		49.00	51.00	50.00
Government, Provincial & Railway:				
C. N. R. 4½% 1957 Dom. Gtd.		98.25	99.25	98.25
C. N. R. 5% 1969 Dom. Gtd.		105.25	106.25	105.25
C. P. R. 4½% 1944		71.00	72.00	71.00
C. P. R. 6% 1942		101.50	102.50	101.50
Dom. of Can. 5% 1936		102.25	102.75	102.25
Dom. of Can. 5% 1941		102.25	102.75	102.25
G. T. P. 3% 1962 Dom. Gtd.		82.00	83.25	82.00
G. T. P. 4% 1962 Dom. Gtd.		95.25	96.50	96.00
Ont. Hydro 3½% 1952 Ont. Gtd.		91.25	92.25	90.00
Ont. Hydro 4% 1957 Ont. Gtd.		91.00	93.00	91.00
Prov. of N. B. 5½% 1950		103.50	......	103.50
Prov. of Ont. 5¼% 1946		105.50	107.00	105.00
Prov. of Ont. 5% 1948		102.00	103.00	102.00
Prov. of Ont. 5½% 1944		100.50	....	99.00

F—Traded without accrued interest.

Listed Bond Quotations

Week Ending December 4, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Abitibi, 1st mtge.§	5	1953	...	19⅝	...	...	18	13
Asbestos	5	1942	...	45	...	...	*65¼	49
Can. Cons. Rub.	6	1946	...	†75	...	...	62	...
Can. Cottons	5	1940	8.11	94	...	...	84⅝	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	5	3
Do., (Way. Ser.)	5½	1958	...	...	...	...	*28¼	5½
Can. S.S. Debs.	5	1943	...	66	...	...	*83⅛	...
Cedars Rapids	5	1953	...	103	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	...	...	...	3.50	1.00
Mex. L. & Pr.	5	1940	...	3.00	3.50	...	*73¼	70½
Mtl. L.H.&Pr. debs.	3	1939	...	†59	3	...	47½	39¾
Mont. Tr. 1st mtg.§	5	1941	5.53	44	44¾	43½	98⅛	95⅛
Mont. Trams. A§	5	1955	7.80	...	...	...	81¼	58
Do., G. & Ref. B	5	1955	7.44	71	71¼	...	74⅛	73⅛
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	7.41	...	...	...	77⅞	76¼
N. S. Steel	5	1959	...	...	...	...	*62⅝	58
Ontario Steel	6	1943	7.43	87½	...	...	90	80
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	...	...	...	*102¾	100
Wayagamack	6	1951	...	103⅜	...	...	*75	45
Winnipeg Elec.§	5	1935	...	75	...	...	79	75
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	104.50	....	....	116.25	107.00
Do.	5½	1934	4.36	100.75	....	....	102.60	101.50
Do.	5½	1937	3.47	107.00	....	....	110.25	109.25
Do., refund	4½	1940	4.41	100.00	....	....	101.25	99.70
Do., refund	5	1943	4.72	102.25	102.00	....	104.90	101.85
Do., refund	4½	1944	4.64	99.50	98.85	98.25	100.50	98.25
Do., refund	4½	1946	4.50	99.50	....	....	*92.25	91.50
Do., renewal	4	1952	4.43	94.12	....	....	95.25	91.63
Do., refund	4	1945	4.46	95.12	....	....	96.50	96.50
Conversion Loan	4½	1956	4.57	98.00	....	....	100.70	97.00
Do.	4½	1957	4.57	98.00	....	....	99.00	96.00
Do.	4½	1958	4.50	98.25	....	....	100.75	97.75
Do.	4½	1959	4.58	99.00	....	....	108.87	97.75
Nat. Service Loan	5	1936	4.01	102.25	....	....	103.25	101.50
Do.	5	1941	4.62	102.25	....	....	103.75	100.75
Dom. Loan	4	1935	3.72	100.00	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	....	....	....		
Can. For. Inv. deb.	7	1949	...	88.00	....	....	100.00	80.00

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

December 5, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1948	1 Apr.	86.00	5.54
Alberta	5	1 July, 1943	1 Jan.	93.00	5.94
Alberta	6	1 Mar., 1947	1 Mar.	100.00	6.00
*British Columbia	4½	1 Oct., 1953	1 Apr.	87.00	5.58
*British Columbia	5	15 Jan., 1948	15 Jan.	92.00	5.82
British Columbia	6	15 Feb., 1947	15 Feb.	99.00	6.10
Manitoba	4	1 July, 1947	1 Jan.	85.00	5.55
*Manitoba	5	2 Dec., 1959	2 June	91.00	5.66
Manitoba	6	1 Apr., 1947	1 Apr.	98.00	6.22
*New Brunswick	4	1 June, 1948	1 June	91.00	4.85
*New Brunswick	4¾	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	15 May, 1950	15 May	105.00	5.05
*Nova Scotia	4¼	15 Nov., 1948	15 May	98.50	4.64
Nova Scotia	5	1 May, 1943	1 May	100.50	4.94
*Ontario	4½	1 Sept., 1944	1 Mar.	101.50	4.33
Ontario	5	15 Oct., 1948	15 Apr.	103.50	4.67
Ontario	5½	1 Feb., 1947	1 Feb.	107.00	4.78
P. E. I.	4	1 Apr., 1939	1 Apr.	96.00	5.85
P. E. I.	6	1 May, 1947	1 May	108.50	5.12
*Quebec	4¼	1 May, 1961	1 May	99.00	4.32
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	84.00	5.80
*Saskatchewan	5	1 Nov., 1959	1 May	89.00	5.82
Saskatchewan	6	15 Mar., 1952	15 Mar.	97.50	6.23
*Newfoundland	5	31 Dec., 1952	31 Dec.	97.00	5.25
*Newfoundland	5½	1 July, 1939	1 Jan.	96.00	6.36
*Newfoundland	6½	30 June, 1936	31 Dec.	96.50	8.09
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	100.00	5.00
*Toronto	4½	1 Jan., 1955	1 Jan.	98.50	4.61
*Vancouver	5	15 Jan., 1970	15 Jan.	91.50	5.55
Winnipeg	5	1 Mar., 1944	1 Mar.	93.50	5.84
*Edmonton	5½	1 Apr., 1947	1 Apr.	91.50	6.45
Calgary	5	1 Jan., 1943	1 Jan.	90.00	6.42
Halifax	6	1 July 1951	1 Jan.	112.00	4.97
Saint John	5	15 Dec., 1950	15 Dec.	101.50	4.87
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	93.00	5.82
Quebec	5	1 June, 1948	1 Dec.	100.00	5.00

*Payable in New York.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

December 5, 1933

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	1.30	1.60
Acadia Sugar 6% pfd.	3.95	4.30
Acme Farmers Dairy 7% pfd.	....	25.00
Agnew Surpass 7% pfd.	64.00	68.00
Allens London 7% pfd. bonus c.	34.50	....
Allens St. Cath. 7% pfd. bonus c.	34.50	....
Allens Toronto 7% pfd. bonus c.	20.00	....
Andian National Corp.	26.00	....
Atlantic Sugar A pfd.	81.50	87.00
B.C. Pulp & Paper pfd.	6.25	....
Burns Pfd. bonus com.	3.00	6.00
Canada & Dom. Sugar	37.00	39.00
Canada Mach. c.	3.50	5.00
Canada Mach. pf.	18.50	....
Can. Packers c.	36.00	37.00
Can. Pack. pfd.	100.00	102.50
Canada Starch c.	4.00	....
Canada Starch 7% pfd.	72.00	....
Canada Tea 7% pfd.	45.50	57.00
Canada Wire & Cable 6½% pfd. WW	56.00	60.00
Can. Industries com A	112.00	....
Can. Industries com. B	112.00	....
Can. Industries 7% pfd.	124.00	128.00
Can. Westinghouse	42.50	45.00
Chase, A. W. Pfd. bonus c.	15.00	18.00
Claude Neon Gen. Adv. Units	3.00	5.00
Consol. Div. Standard Sec. pfd.	9.00	....
Dom. Foundries & Steel 8% pfd.	35.50	40.00
Dom. Foundries & Steel c.	3.00	5.25
Dom. Manufacturers 7% pfd.	....	60.50
Dunlop Tire 7% pfd.	59.00	....
Eastern Dairies Ltd. 7% pfd.	11.00	20.00
Edmonton Stockyards Units	....	50.00
Federal Grain 6½% pfd.	13.00	18.50
General Steel Wares pfd.	11.25	12.75
Goderich Elevator & Transit	5.00	7.00
Greening Wire 7% pfd.	45.00	52.00
Guelph Carpet 6½% pfd.	67.00	....
Guelph Carpet c.	5.50	....
Inter City Baking com.	16.50	18.50
Inter. Proprietaries A	30.00	31.50
Loew's London c.	.30	.75
Loew's Lond. pfd.	3.30	4.25
Loew's Toronto 7% pfd.	57.50	60.00
Mansfield Theatres pfd.	15.00	20.00
Massey-Harris 5% pfd.	12.00	13.00
Mount Royal Hotel com.	.25	.75
Mount Royal Hotel 6% pfd.	2.50	4.00
Nat'l. Grocers c.	1.65	2.00
National Grocers 7% pfd.	91.50	95.00
Paramount Oshawa com.	2.00	....
Paramount Oshawa pfd.	35.00	....
Paramount Kitchener pfd.	31.50	....
Provincial Paper 7% pfd.	66.00	70.00
Reliance Grain 6½% pf. ex-div.	36.00	40.00
Rolland Paper 6% pfd. WW	43.00	47.00
Serv. Stations A pfd.	25.00	31.00
Standard Clay Products c.	....	15.00
Standard Fuel 6½% pfd. bonus	68.50	....
Supersilk pfd. bonus	35.50	....
Supertest Petroleum B pfd.	18.50	24.00
Toronto Elevators 7% pfd.	84.00	88.00
Toronto Housing c.	10.00	....
United Corpns. Ltd. A	6.00	....
United Corpns. Ltd. B	2.00	....
Un. Grain Grow.	9.00	11.00
Ind. Stocks cont'd		
Western Grain 6½% pfd. bonus	6.00	12.00
Western Grocers pfd.	85.00	89.00
Willards Chocolates pfd.	12.50	17.00
Wood, Alex. & James pfd.	15.50	21.00
Zimmerknit c.	2.50	....
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Can. Life Assce.	420.00	435.00
Canadian Fire Ins.	55.00	60.00
Confederation Life 20% pd.	122.00	128.00
Continental Life 20% pd.	33.50	....
Crown Life Ins.	96.00%	....
Dom. Fire Ins.	85.00	....
Dominion Life 50% pd.	155.00	....
Dom. of Can. Gen. Ins.	102.50	110.00
Empire Life 25% pd.	9.00	12.00
Excelsior Life 30% pd.	75.00	....
Federal Fire 25% pd.		
Fidelity Ins. Co.	46.50	....
Great West Life Assce.	321.00	350.00
Guar. Co. of N.A. fully paid	215.00	230.00
Guar. Co. of N.A. 20% paid	40.00	....
Imperial Life	265.00	280.00
Mfrs. Life Ins.	215.00	234.00
Monarch Life 10% pd.	15.00	19.00
National Life 25% pd.	51.00	62.00
Saskatchewan Life 10% pd.	7.00	11.50
Sovereign Life 25% pd.	18.00	24.50
Sun Life Assur.	390.00	415.00
Western Assur. c.	14.50	18.00
Western Life 20% pd.	9.00	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	120.00	135.00
Can. Gen. Investments Ltd.	4.70	5.00
Can. Investors Corp.	5.00	6.50
Chartered Trust	60.50	....
Debenture & Sec. com.	2.00	....
Debenture & Sec. 5% pfd.	11.00	....
Dom. & Anglo Invest. Units	155.00	....
Dom. Scottish Invest. Units	15.00	20.00
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	135.50	141.00
Investment Foundation Units	26.00	29.00
London & Western Trust	....	45.00
Sec. Holding Corp. com.	....	.55
Sec. Holding Corp. pfd.	....	7.50
Security Loan & Savings	90.00	....
Sherbrooke Trust	100.00	109.00
Sterling Trust	....	45.00
Traders Finance 7% A pfd.	33.50	....
Trusts & Guar.	25.00	30.00
Victoria Trust & Savings	130.50	139.00
Waterloo Trust & Savings	90.50	110.00
Power Issues:		
B.C. Elect. Pwr. & Gas 6% pfd.	98.00	100.50
Calgary Power 6% pfd.	76.00	80.00
Can. Light & Pwr. com.	16.50	20.00
Can. West. Nat. Gas LH&P pfd.	76.00	80.00
Maritime Tel. & Tel. com.	8.60	9.75
Maritime Tel. & Tel. 7% pfd.	10.50	11.75
N. B. Telephone c.	7.60	9.00
N. S. L&P c.	25.00	34.00
N. S. L&P 6% pf.	72.00	75.50

Recent London Quotations:

Brewers & Distillers	9s.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 9d.
Hudson's Bay	21s.
Do., 5% pref.	85s.
Internat. Holdings	$1⅝
Nfld. Pr. & Pap. deb. stock B	98
Trust & Loan of Can.	3s. 4d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	Jan. 2	Dec. 15
Andian National, c. (No. 10)	$2	$1	Dec. 15	Nov. 30
B. C. Power, A	$1.50	37c	Jan. 15	Dec. 31
Brazilian Tr., pref.	6%	1½%	Jan. 2	Dec. 15
Bright, T. G.	...	†10c	Dec. 15	Nov. 30
Do., pref.	...	†2¼%	Dec. 15	Nov. 30
Belding Corticelli pref.	7%	1¾%	Dec. 15	Nov. 30
Bank of Nova Scotia	$12	$3	Jan. 2	Dec. 16
Brit. Amer. Oil (No. 15)	80c	20c	Jan. 2	Dec. 16
Belding Corticelli, c.	$4	$1	Feb. 1	Jan. 15
Bell Telephone	$6	$1.50	Jan. 15	Dec. 22
Bruck Silk Mills	..	25c	Jan. 15	Dec. 15
Buffalo Ankerite	..	3c	Dec. 15	Dec. 1
Canada Trust	10%	5%	Jan. 2	Dec. 15
Can. Celanese, pref.	$7	$1.75	Dec. 30	Dec. 16
Do., on arrears	...	$1.50	Dec. 30	Dec. 16
Canadian Oil, pref.	$8	$2	Jan. 1/34	Dec. 20
Crow's Nest Coal	...	*$2	Dec. 11	Nov. 30
Cons. Diver. Std. Secs. pfd.	...	25c	Dec. 15	Nov. 15
Canada Malting (No. 24)	$1.50	37½c	Dec. 15	Nov. 30
Canada Northern Pr. c.	80c	20c	Jan. 25	Dec. 30
Do., extra	..	10c	Jan. 25	Dec. 30
Do., pref.	$7	$1.75	Jan. 15	Dec. 30
Can. Perm. Mortgage	$8	$2	Jan. 2	Dec. 15
Can. For. Invest., pfd.	8%	2%	Jan. 2	Dec. 15
Do., com.	50c	25c	Jan. 2	Dec. 15
Central Can. Loan	8%	2%	Jan. 2	Dec. 15
Consumers' Gas	$10	$2.50	Jan. 2	Dec. 15
Can. Silk Products, A	$1.50	37½c	Nov. 30	Nov. 15
Dominion Bank	$10	$2.50	Jan. 2	Dec. 20
Dominion Stores	$1.20	30c	Jan. 2	Dec. 15
Dominion Textile	$4	$1	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 15	Dec. 30
Dominion Glass	5%	1¼%	Jan. 2	Dec. 15
Do., pref.	7%	1¾%	Jan. 2	Dec. 15
Eastern Twps Tele. c.	72c	18c	Jan. 15/34	Dec. 21
Ford Motor (No. 31) A and B	...	$1	Dec. 21	Dec. 4
Falconbridge Nickel	...	5c	Dec. 29	Dec. 15
Ham. Un. Theatres, pfd.	$7	$1.75	Dec. 30	Nov. 30
Inter. Petroleum (No. 39)	$1.12	28c	Dec. 15	Nov. 30
Do., pref.	$1.12	28c	Dec. 15	Nov. 30
Inter. Proprietaries A	$2.60	65c	Dec. 15	Nov. 25
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
Imperial Tobacco, c	35c	8¾c	Dec. 30	Nov. 29
Jam. Pub. Service	$1	25c	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 2	Dec. 15
Lake Shore Mines	$2	50c	Dec. 15	Dec. 1
Do., extra	..	50c	Dec. 15	Dec. 1
Landed Bkg. & Loan	6%	1½%	Jan. 2	Dec. 15
Montreal Cottons, pfd.	$7	$1.75	Dec. 15	Nov. 30
Mercury Oils	..	4c	Jan. 2	Nov. 30
McColl Fron. c.	60c	15c	Dec. 15	Nov. 15
Montreal Loan & Mtge.	12%	3%	Dec. 15	Nov. 30
Mitchell, J. S., pref.	7%	1¾%	Jan. 2	Dec. 15
National Breweries	$1.60	40c	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 2	Dec. 15
National Sewer Pipe, A	$2.40	60c	Dec. 15	Dec. 1
Northern Ont. Pr. pref.	$6	$1.50	Jan. 25	Dec. 30
Do., com.	$2	50c	Jan. 25	Dec. 30
Ontario Loan & Deb.	12%	3%	Jan. 2	Dec. 15
Pioneer Gold (B.C.)	60c	15c	Jan. 2	Dec. 6
Royalite Oil	..	50c	Dec. 20	Dec.
Reliance Grain, pref.	6½%	1⅝%	Dec. 15	Nov. 30
Southern Can. Power, pfd.	$6	$1.50	Jan. 15	Dec. 20
Siscoe Gold Mines	12c	3c	Dec. 30	Dec. 15
Do., bonus	..	2c	Dec. 30	Dec. 15
Sterling Pac. Oil	...	*2½c	Dec. 22	Dec. 11
United Gold Equities	...	*5c	Jan. 15	Jan. 1
Toronto Elevators, pref.	7%	1¾%	Jan. 15	Jan. 2
H. Walker- G. & W., pfd.	$1	25c	Dec. 15	Nov. 25
West. Can. Flour, pfd.	$3	75c	Dec. 15	Nov. 30
Wright Hargreaves	20c	5+5c	Jan. 2	Dec. 9

*Interim. †Initial.

Dividend Rate Reduced—

Canada Permanent Mortgage Jan. 2, $10 to $8 per annum.

B. C. Power, A, Jan. 15, $2 to $1.50 per annum.

Dividends Passed or Deferred—

Canadian Car pfd., due Jan. 2, passed. Last paid 43c. Oct. 1[illegible], 1933

Dividends Resumed—

Bruck Silk Mills, 25c. Jan. 15. First payment since 25c. paid May 15, 1930.

Ford Motor Car. $1 Dec. 21. Last payment 60c. June 20, 1931.

Winnipeg Stock Exchange

(Transactions for week to November 28)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Nov. 28
80+10c	5.1	Canada Nor. Power	20	17¾	17¾	17¾
..	..	Eldorado	300	3.40	3.25	3.25
50c	3.6	Imperial Oil	100	14	14	14
..	..	Inter. Nickel	10	20.75	20.75	20.75
..	..	Island Lake	1,500	.07	.07	.07
6	8.4	McColl-Fron. pfd.	15	71½	71½	71½
12+2c	9.4	Siscoe Gold	100	1.49	1.49	1.49
1	10	United Grain	10		9¾	10

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	..	65	Northern Trust	..	16
Beaver Lumber c.	..	4	Reliance Grain pfd.	..	30
Canadian Fire	55	..	Sovereign Life	..	19
City Dairy 8% pf.	..	40	Traders Bldg. Assn.	65	..
Cres. Creamery pf.	..	15	West. Breweries	1	..
Gt. West Life	310	..	Can. Amer. Tr. shs.	..	8.00
Home Investment	20	..	Fundamental Ser. A	..	4
Monarch Life 10% pd.	17	21	Fundamental Ser. B	..	3¾
Nor. Mtg. part pd.	..	5	Group Income Shs.	..	4.10
Pelissiers c.	½	..	Can. Invest. Fund	..	3.25

*Stocks more active on other exchanges not included.

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ONTARIO GOLD PRODUCERS TREAT LOWER GRADE ORE

(Continued from page 16)

The estimate annual earnings rate, based on production in the third quarter of 1933, and the current price of gold is $4.80 annually of which the higher than normal price of gold accounts for $3.40. With prevailing dividends and current market values, the yield to investors is just over five per cent, but the indicated annual yield, based on the indicated earnings in the third quarter of 1933, and gold at present prices, is 13 per cent on the investment.

Dome Mines

Dome Mines had an average recovery of $6.43 per ton in 1931 with gold at normal value, which increased to $7.53 in 1932. In the first nine months of 1933 the average recovery was $8.40 per ton, but in the third quarter of 1933 it had dropped to $7.72 per ton. Estimated earnings in the calender year 1931 were $1.56 per share as compared with $1.95 in 1932. Based on the production in the third quarter of 1933 and the prevailing price of gold, the indicated annual earnings were $3.50 per share, of which the higher than normal price of gold accounted for $2.10. With prevailing dividends and current market prices, the yield is five per cent to investors, but based on indicated earnings in the third quarter of 1933 the yield is 11 per cent.

Hollinger

Hollinger had an average recovery of $6.15 per ton, with gold at normal value, in the calendar year, 1931, as compared with $5.92 in 1932. In the first nine months of 1933 it had dropped to $5.80, which figure prevailed in the third quarter of 1933. Earnings per share for the calendar year, 1931, were 71 cents as compared with 62 cents in 1932. Based on production in the third quarter of 1933 and with gold at $32 per ounce, the indicated profit is at the annual rate of $1.45 per share, of which the higher than normal price for gold accounts for about $1. With prevailing dividends and current market prices, the yield to investors is about seven per cent, but the yield based on indicated earnings in the third quarter of 1933 is 13½ per cent.

Wright-Hargreaves

Wright-Hargreaves had an average recovery of $10.93 per ton in the calendar year 1931 with gold at normal value as compared with $12 per ton in 1932. In the first nine months of 1933 this had increased to $12.70 per ton and had further increased to $13.50 per ton in the third quarter of 1933. Here the treatment of higher grade ore is evidenced, but in part can be explained by the cleaning up of the lower grade ore prior to 1931 and the encountering of higher grade ore in more recent development. Earnings in 1931 were 21 cents per share as compared with 32 cents in 1932. This increase in part reflects the steady increase in the tonnage milled and will be further influenced by the 25 per cent increase in tonnage planned for this month. Based on the production in the third quarter of 1933 and $32 gold the indicated annual earnings are 60 cents per share of which the higher than normal price of gold accounts for 34 cents. With prevailing dividends and current market prices the yield to investors is approximately 4½ per cent, but based on earnings indicated in the third quarter of 1933 the yield is nine per cent to be further influenced by the 25 per cent increase in mill capacity this month.

Teck-Hughes

Teck-Hughes had an average recovery of $13.70 per ton in the calendar year, 1931, as compared with $12.30 in 1932. In the first nine months of 1933 this had declined to $10 per ton and to $8.60 in the third quarter of 1933. The estimated earnings per share in the calendar year, 1931, were 75 cents but had declined to 72 cents in 1932. Based on production in the third quarter of 1933 tnd $32 gold, indicated annual earnings were 65 cents per share of which the higher than normal price of gold accounted for 54 cents. With prevailing dividends and current market values, Teck-Hughes tops the list with a yield of 11 per cent to investors and has an indicated annual-yield of 12 per cent based on indicated earnings in the third quarter of 1933.

Sylvanite

Sylvanite Gold Mines, the smallest producer in the group, had an average recovery of $9.73 per ton in 1931 with gold at normal value, as compared with $8.60 in 1932. In the first nine months of 1933 this had increased to $9.23 per ton and in the third quarter of 1933 to $10 per ton. During these periods a small but steady increase in the tonnage milled was shown. Estimated earnings in the calendar year, 1931, were seven cents per share as compared with six cents per share in 1932. Based on production in the third quarter of 1933 and $32 gold, indicated annual earnings are 21 cents per share of which the higher than normal price of gold accounts for 15 cents. With prevailing dividends and current market values, the yield to investors is six per cent, but the yield, based on indicated earnings in the third quarter of 1933, is 18 per cent.

It will thus be seen from the survey of Ontario's leading gold producers that the current price of gold is the watchword for investors and without commenting on the probable trend of gold prices, the principal tonnage from Ontario gold mines is toward treating lower grade ore more than previously. Although the grade of ore in most cases is lower, current earnings rates with the exception of Teck-Hughes, are at new higher levels.

CRYDERMAN MINES DRILLING PROMISING

Lightning River Claims Show 1,100 Feet Over Six-ft. Assays $2.80

The Lightning River district of Ontario, one of the many mining sections prospected years ago, is again commanding attention and one of the most active operations in this area is the Ontario Cryderman Gold Mines, a private company formed early in July of this year and headed by that veteran prospector, Russell Cryderman.

The company's property comprising eleven claims, in Harker township, has been reported on by C. H. Hitchcock, M.E., of the Smith & Travers Diamond Drilling Co., Sudbury.

Main Break 7,500 Feet Long

Following surface trenching, eleven diamond drill holes, 100 feet apart, were put down at an angle of 60 degrees to a vertical depth of 70 feet, for 1,100 feet along the ore zone which occurs in a rhyolite flow. The average assay of this drilling gave $2.80 with gold at norval value, over an average width of six feet for the full 1,100 feet. Of this, 400 feet gave an average assay of $5.15 over an average width of 5.3 feet.

The company's holdings extend some 7,500 feet along the main break, but exploration has been confined to the one section.

The property is reached by a 28-mile water route from La Reine on the transcontinental line of the C. N. R., near the Ontario-Quebec boundary. From the terminus of the water route there is a seven-mile road into the property. The winter road is via Ramore on the T. & N. O. Railway, 25 miles west of the property.

The company has an authorized capitalization of 30,000 shares of no par value and to date all financing has been privately provided by interests associated with the company.

Commonwealth Petroleum Operating Profit $33,415

The financial statement and report presented to shareholders of Commonwealth Petroleum at the annual meeting held in Calgary November 6, showed an operating profit of $33,415 for the 17 months ended September 30, 1933. This compares with an operating profit of $71,348 for the 14 months ended April 30, 1932. In neither case was provision made for depreciation of equipment, development expense or depletion, but instead the surplus was credited to the expenditure statement covering cost of property and development which on September 30, 1933, stood at $572,893.

Current assets as at September 30, 1933, were $29,772 and current liabilities $7,624, leaving a net working capital of $22,148 as compared with an excess of current liabilities over current assets of $3,615 on April 30, 1932.

Two Wells Producing

The company's petroleum and natural gas leases in Canada total 24,439 acres. In addition it owns 51 per cent interest in 12,000 acres near Manitou, Manitoba, and 40 per cent interest in 400 acres in the Cut Bank field of Montana.

The company has one well in Turner Valley area producing about 30 barrels of crude naphtha daily, a 12½ per cent royalty from which accrues to the Calgary and Edmonton Corp. It also has a 40 per cent interest in the net production from one well in the Cut Bank field producing approximately 50 barrels of crude oil daily. A second well is drilling in the Cut Bank field and in addition the company has a substantial interest in a third well which is expected to reach the producing horizon by January 1, 1934.

Gunnar Gold Mines

Analysis upon request

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McMILLAN GOLD VALUES INDICATED $444,580 OF ORE

Plans Call for 100-Ton Mill Operated by Hydro Power

Recent developments at the McMillan Gold Mines, where the shaft has been deepened to the 625 ft. level and the No. 2 vein encountered are followed by a detail report on indicated ore reserves by James G. MacGregor and officials of the company feel warranted in laying plans for the construction of a 100-ton mill.

Interest in the company's property comprising 36 claims at House Lake, Mongawin township, 50 miles west of Sudbury, was renewed this summer when Toronto interests secured additional capital permitting the resumption of development work. Former operators sunk a shaft to the 525 ft. level and did some 3,700 ft. of lateral work. The estimated tonnage of ore indicated by surface and underground diamond drilling and by drifting now completed is 53,940 tons having a gross value of $444,580 with gold at normal value or with gold at $31 per ounce, a gross value of $667,000. Mr. MacGregor in his official report points out that since the ore bodies have not been fully opened up on all levels and since no raising has been undertaken it is not permissible to make a tonnage estimate of probable or blocked out ore and therefore confines his estimate to the indicated ore shoots as follows:

Seven Ore Shoots Encountered

"A" Shoot—This shoot is exposed on the surface for a length of 75 feet with values of approximately $20 across four feet. Two diamond drill holes at a depth of 170 feet and 180 feet showed a continuation of this ore shoot carrying $16.20 across 46 inches and $6.33 across 16 feet and 4 inches, respectively. This shoot has also been encountered on the 350-ft. level, where it is split in two short sections with no evidence that it extends below that horizon. Assuming a length of 160 feet and persistence to a depth of 250 feet, the indicated tonnage is 15,400, averaging $11 per ton or a gross value of $170,000.

"C" Shoot—The north limb of this ore shoot has been opened up on the 325-ft. level for 125 feet, averaging $8.07 across 49 inches. On the 525-ft. level it has been opened up for a length of 125 feet and carries an average value of $5.15 across 72 inches. Assuming an extension 50 feet above and below the 325 and 525-ft. levels gives an indicated reserve of 17,300 tons averaging $5.33 per ton or a gross value of $92,200.

No Raising Done

The south limb of the "C" shoot has been opened up on the 525-ft. level with its persistence on the 325-ft. indicated by diamond drilling. For a length of 215 feet on the 325-ft. level the average value is $9.06 across 44.9 inches. Assuming 50 feet above and below the indicated ore is 6,600 tons averaging $9 per ton and having a gross value of $60,000.

"E" Shoot—This shoot is exposed on the 325-ft. level for a length of 35 ft. It has not yet been explored on lower levels. Assuming an extension of 25 ft. above and below the 325-ft. level gives 540 tons of ore averaging $13.20 per ton and having a gross value of $7,130.

"F" Shoot—This shoot has been opened up on the 325- and 425-ft. levels but its presence on the 525-ft. level has not yet been established. It has a length of 45 ft. on both levels averaging $11 across a width of 7 ft. and assuming an extension 50 ft. above and below these levels gives indicated ore of 5,000 tons, having a gross value of $55,000.

"D" Shoot—This shoot has been opened up on the 525- and 325-ft. levels and intersected by a diamond drill at a depth of 565 ft. The average length on the 325- and 525-ft. levels is 50 ft. showing an average grade of $9.52 over 43 inches. Assuming an extension 50 ft. above and below these two levels gives indicated ore of 4,600 tons averaging $8.50 per ton or a gross value of $40,000.

"J" Shoot—This ore body has been opened up on the 525-ft. level with a probable width of greater than 6 ft. With a length of 100 ft. on this level and assuming an extension 50 ft. above and 50 ft. below gives indicated ore of 4,500 tons averaging $4.50 per ton or a gross value of $20,250.

Tests on the company ore have been made by the ore dressing laboratory at Ottawa and while it is of an arsenical nature it is readily amenable to treatment by the cyanide process that requires no roasting as is frequently required in ores carrying arsenic. Plans have been prepared for a 100-ton mill estimated to cost approximately $87,000. In addition there will be a transformer substation estimated to cost approximately $35,000. Power for any operations is available by extension of the Abitibi Canyon-Sudbury line from Espanola, 15 miles distant. Negotiations have already been made with the Hydro-Electric Power Commission of Ontario to build a line to the company's property and furnish power under its standard of $32.50 per h.p.

The company has a capitalization of $3,000,000 in $1 par value shares, of which 2,000,000 shares were issued before work was resumed this summer. The present financial sponsors contracted for 1,000,000 shares to net the treasury $190,000. Of this approximately $60,000 has been raised and there is sufficient cash in the company's treasury to complete its underground programme, while option commitments if and when exercised on the remaining 600,000 treasury shares will give the company $130,000 or sufficient to bring the mine into production.

C. E. HAYLES HEADS SCOTIA GOLD MINES

Immediate Start on Bersford Lake Holdings Planned

The newly organized Scotia Gold Mines, owning 24 claims in the Bersford Lake area of Manitoba, has announced the immediate development of its holdings.

Charles E. Hayles, general manager of Canadian Consolidated Grain Co., has been named president; A. DeJardin, manager of the Mortgage Company of Canada, is vice-president; Stewart More, prospector, is managing director, and John McDonald, stock broker, is secretary-treasurer. John H. McDonald, grain broker, with the foregoing men, is a director.

The company will shortly offer for public subscription 1,500 shares at $20. The authorized capitalization is 20,000 shares of no par value. There are 9,500 issued and with the forthcoming offering of 1,500 shares, there will be 9,500 shares left in the treasury.

Proceeds of the issue are to be used for the sole purpose of construction of camps, surface exploration and diamond drilling under the supervision of J. C. Houston. The issue will be pooled along with the vendor's shares until the company has received from the proceeds of the sale of its shares the sum of $250,000 or until May 15, 1934.

Ontario Minerals Valued At $64,981,341 For 9 Mo.

Increase For Nine Months Period is $12,500,000 Over Same Period in 1932—Year's Estimate $109,000,000

Returns by the Ontario Department of Mines from the metal mines, smelters and refining works in Ontario for the nine months ending September 30, 1933, show the total value of Ontario's metallic production to be $64,981,341 as compared with $52,426,927 in the corresponding period of 1932.

Of the principal minerals, gold, copper and nickel, all show substantial increases, silver alone among the more important metals showing a decline.

The following tabulation gives the comparative production figures for the respective metals:

Ontario's Metallic Production
First Nine Months 1932 and 1933

Product		Quantity 1932	Quantity 1933	Value $ 1932	Value $ 1933
Gold	oz.	1,689,381	1,618,627	39,372,887	41,980,347
Silver	oz.	4,769,582	3,344,284	1,510,085	1,167,182
Platinum metals*	oz	41,762	19,350	1,363,075	516,000
Copper, metallic and in ores exported	tons	22,876	42,449	3,084,188	7,266,385
Copper in matte exported	tons	5,832	8,429	466,539	928,051
Nickel in matte exported	tons	25,545,367	52,959,179	6,286,846	12,610,712
Metallic nickel, and nickel content of oxides, salts and residues	lb.				
Selenium	lb.	......	19,266	......	38,532
Cobalt, metallic and metal content of oxides, salts & unseparated oxides	lb.	387,859	356,867	383,517	472,212
Bismuth	lb.	10,939	3,458	8,204	1,560
Lead, pig, and in concentrates exported	lb.	60,955	19,683	1,586	410
Total value in Canadian funds	$	......	......	52,426,927	64,981,341

*Output for 1933 estimated.

Non-metallic, structural materials and clay products show a further decline in production due to the curtailment in the construction industry.

The value of contracts awarded in Ontario, covering the residential, business and engineering construction during the first ten months of 1933, according to the MacLean Building Review, was 28 per cent below that of the corresponding period of 1932. Building permits in 50 Ontario cities, as compiled by the Dominion Bureau of Statistics, had a valuation for the nine months of 1932 of $6,307,511 or 48 per cent less than the corresponding period in 1932 which reported $12,308,481.

The Department of Mines has made an estimate of the mineral output for 1933 of $109,000,000. Comparative figures of 1932 are as follows:

Mineral Output

Group	Calendar Year 1932 (fnl.) $	1933 (esti.) $
Metals	70,162,206	95,700,000
Non-metals	7,361,897	7,000,000
Structural materials	7,295,917	5,450,000
Clay products	1,690,505	850,000
Ttl. val. (Can. fds.)	86,510,525	109,000,000

Saint John Cattle Trade

In addition to the direct shipments from Saint John to Great Britain of about 1,000 head of cattle a week throughout the winter, it is probable that an additional 1,000 a week will be fed and watered at this port for transhipment to London, Thomas Nagle, member of the Saint John Harbor Commission, announces.

Mining Stock Quotations

Week Ending December 4.

Par Val.	Range 1933 High	Low	Company	Sales	Close Nov. 27 (or last)	High for week	Low for week	Close Dec. 4
1	.02½	.00½	Aconda	......	.01½	.....	.....	.....
No	.30	.03	Aldermac	10,040	.18	.18	.16	.17½
1	.03½	.01	Alexandria	27,500	.01½	.01½	.01¼	.01½
No	.06	.01¼	Algoma	14,600	.01¼	.01½	.01¼	.01¼
1	.10½	.00½	Algonquin	1,000	.00½	.00½	.00½	.00½
1	.06	.00½	Amity Copper	9,200	.02½	.03	.02½	.02½
1	.01	.00½	Apex	......	.00½	.....	.....	.....
1	.07½	.01½	Area	1,900	.04	.03	.02½	.03
No	.11	.03	Arno (new)	6,260	.04½	.04½	.04	.04
1	1.36	.74	Ashley	100	1.05	1.05	1.05	1.05
1	.14	.02½	Bagamac	2,500	.04	.04½	.03½	.04½
1	.03	.00½	Baldwin	......	.01	.....	.....	.....
1	.20	.08	Barry Hollinger	24,150	.12	.13	.12	.13
1	2.45	.75	Base Metals	5,220	1.56	1.58	1.45	1.50
5	1.29	.60	B. E. A. R.	17,100	.72	.74	.70	.73
1	.48	.29	Big Missouri (new)	24,447	.44	.44	.40	.43
1	.28½	.08½	Bobjo	38,460	.21	.21	.20	.20
No	13.25	2.28	Bralorne	2,765	8.40	9.15	8.05	9.10
1	.25	.14	Brett Trethewey	1,100	.15	.15½	.14	.14
50c	.42	.25	B. R. Ex. Gold	......	.27	.....	.....	.....
1	.07½	.01¼	Brownlee	14,000	.01½	.02	.01½	.01½
1	.03	.00½	Buckingham	7,000	.00½	.00½	.00½	.00½
No	.09½	.01½	Buffalo Can.	13,500	.08½	.08½	.07	.07½
5	24.60	15.40	Bulolo	880	23.75	23.50	22.50	22.50
No	.10	.01	Bunker Hill	25,500	.01½	.01½	.01½	.01½
5s	1.25	.60	B'Wana McKubwa	......	.72	.....	.....	.....
No	.05	.02½	Canam Metals	......	.03	.....	.....	.....
1	.12½	.03	Can. Kirkland	13,703	.07½	.07½	.06	.07
No	.60	.32	Can. Malartic	4,525	.40	.42	.40½	.41
1	.02	.00½	Capital Rouyn	1,000	.00½	.00½	.00½	.00½
1	3.05	2.50	Cariboo G. Q.	1,250	2.75	3.00	2.60	3.00
1	.03½	.01	Cartier Malartic	6,000	.01	.01½	.01	.01½
1	.72	.15	Castle Trethewey	12,900	.52	.54	.51½	.53
1	.20	.06	Cen. Manitoba	23,950	.12½	.13½	.11	.13½
1	.73	.17	Cen. Patricia	23,700	.50	.52	.45	.47
No	.20	.03	Chibougamau Pros.	45,000	.04½	.04½	.04	.04
No	.15	.03	Church. M. & Mill	10,500	.11	.11½	.11	.11
No	.04	.00½	Clericy	12,200	.02	.02	.01½	.01½
1	.03	.01	Clifton Cons.	......	.01	.....	.....	.....
5	9.00	1.65	Coast Copper	225	4.15	4.50	4.15	4.50
1	.15	.00½	Cobalt Contact	39,400	.04½	.05	.04	.04½
No	.48	.43	Columario (new)	3,500	.43½	.44	.43	.43½
5	1.90	.75	Coniagas	100	1.25	1.25	1.25	1.25
No	1.00	.20	Coniaurum	1,408	.93	.90	.80	.85
25	144.00	54.00	Cons. Smelters	1,683	130.00	134.00	130.00	132.00
No	40.00	13.60	Dome Mines	7,115	31.00	34.00	31.00	33.25
No	.15½	.03½	Dom. Explorers	9,000	.05½	.06	.05	.05½
1	.02½	.00½	Dominion Kirk.	2,000	.01½	.01½	.01	.01
1	.04	.00½	Don Rouyn	......	.01	.....	.....	.....
1	.04½	.01	Duparquet	......	.02	.....	.....	.....
1	8.10	1.16	Eldorado	27,605	3.27	3.65	3.30	3.53
No	4.55	1.80	Falconbridge	3,030	3.30	3.30	3.25	3.25
1	.06	.01	Federal	29,000	.01½	.02	.01½	.01½
No	.07	.01	Gilbec	7,500	.02	.03	.02½	.02½
1	.17	.04	Goldale	6,300	.09	.09	.08	.08½
10	.29	.10	Goldfield	5,500	.18	.18	.16½	.18
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.23	.02	Goodfish	5,800	.11½	.12½	.11	.12
1	.04	.01	Graham	10,500	.02½	.03	.02½	.03
1	1.05	.55	Granada	18,150	.61	.61	.58	.59
1	.18	.05	Grozelle	......	.05	.....	.....	.....
1	.45	.24	Halcrow Swayze	3,000	.36½	.36½	.35½	.36
1	.06	.02	Harker	83,000	.03½	.04½	.03½	.04
1	.01½	.00½	Hilltop	4,000	.00½	.00½	.00½	.00½
5	11.60	6.05	Hollinger	59,407	10.75	11.60	10.60	11.60
1	1.51	.61	Howey Gold	27,435	1.00	1.05	.98½	1.00
No	12.25	3.10	Hudson Bay	1,116	9.25	9.75	9.15	9.75
No	.55	.25	Huronian	184	.50	.40	.40	.40
1	13.00	8.50	Inter. Mining	......	12.50	.....	.....	.....
1	4.50	2.75	Do., Pur. Warr.	......	4.50	.....	.....	.....
No	23.25	8.00	Int. Nickel	25,041	20.70	21.50	20.75	21.00
100	112.50	112.00	Do., pref.	20	112.00	112.50	112.50	112.50
1	.04½	.00½	Jackson Manion	47,500	.02½	.03	.02½	.02½
1	.70	.20	Keeley	300	.50	.40	.40	.40
1	.02½	.00½	Keora Mines	1,000	.01	.01	.01	.01
1	.76	.48	Kirk. Hud. Bay	7,400	.53	.54	.50	.54
1	.02½	.00½	Kirk. Hunton	500	.00½	.00½	.00½	.00½
1	.52	.29	Kirkland Lake	16,250	.31½	.32	.30	.30
1	.04½	.01½	Kirkland Premier	5,650	.02½	.03	.02	.02
1	.52	.12	Kirk. Townsite	22,300	.28	.30	.27½	.29
20c	.02½	.00½	Koot. Florence	1,500	.01½	.01½	.01½	.01½
1	.25	.15	Lakeland	5,400	.19½	.18	.17	.17
No	.32	.07	Lake Maron	7,000	.08½	.09½	.08	.09
1	52.00	30.75	Lake Shore	6,310	45.00	47.00	44.50	46.00
1	.23½	.02½	Lebel Oro	64,000	.10½	.15	.10	.13
No	.29	.11	Lee Gold	25,900	.12½	.12½	.11	.12½
1	1.29	.20	Macassa	84,725	.77	.86	.77½	.79
1	.07½	.01	Malrobic	26,500	.01½	.01½	.01½	.01½
No	.17	.02½	Mandy	1,500	.07	.07½	.07½	.07½
No	.07	.01	Manitoba Basin	17,100	.02½	.02½	.02	.02½
5	48.60	21.20	McIntyre	7,613	37.10	41.00	37.75	39.50
1	.55	.30	McKinley	12	.55	.50	.50	.50
No	.08	.01	McLeod River	20,500	.01½	.01½	.01	.01½
1	.35	.03	McMillan	39,500	.28	.34	.27	.33
No	1.15	.35	McWatters	20,500	.40	.45	.40	.40
1	1.06	.15	McVittie	63,141	.95½	1.00	.92½	.98½
5	1.25	.06	Mentor Exp. & Dev.	......	1.05	.....	.....	.....
No	2.65	1.20	Mining Corp.	1,730	1.60	1.75	1.65	1.65
1	.05	.01½	Moffatt Hall	4,500	.02	.02½	.02	.02½
1	.12½	.02	Moneta	13,200	.06	.08	.06½	.07
1	.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.12½	.03	Moss	6,000	.03	.02½	.02½	.02½
1	.03½	.00½	Murphy	4,000	.01	.01½	.01	.01½
No	.06½	.02	Newbec	2,500	.02	.02½	.02	.02½
1	.06½	.01½	Night-Hawk Penn.	1,000	.03½	.03	.03	.03
5	3.50	1.15	Nipissing	2,475	2.30	2.45	2.30	2.41
No	39.25	19.25	Noranda	4,846	33.25	34.50	33.00	33.60
No	.52	.30	Nor. Canada	1,700	.31	.35	.30	.35
No	.61	.19½	Normont-Gold	58,025	.60	.61	.49	.49
1	.34	.05	Osisko	50	.15	.16	.16	.16
1	.46	.11	Parkhill	13,810	.37	.38	.34	.34
1	.03½	.01	Pawnee Kirk	3,500	.01½	.01½	.01½	.01½
1	.29	.20	Paymaster	26,450	.23½	.23	.21	.21
1	1.80	.50	Pend Oreille	2,300	.70	.70	.67	.67
1	.04½	.00½	Peterson Cobalt	49,432	.02½	.03½	.02	.03½
1	16.25	4.30	Pioneer Gold B.C.	11,925	8.25	9.35	8.40	9.30
1	.03	.00½	Porcupine Crown	......	.01½	.....	.....	.....
1	.01½	.00½	Potter Doal	......	.00½	.....	.....	.....
1	1.60	.55	Premier Gold	4,600	1.02	1.05	1.02	1.05
1	.03½	.00½	Preston E. Dome	1,000	.01	.01½	.01½	.01½
No	1.75	.50	Prospectors Air's	......	.52	.....	.....	.....
No	.15	.03	Quemont	......	.10	.....	.....	.....
1	.51	.25	Read Authier	2,900	.30	.31	.25	.31
1	2.75	.70	Reno	15,835	.76	.94	.75	.87
1	.03½	.00½	Ribago	13,000	.01	.01½	.01	.01
1	.03	.01½	Ritchie	......	.01½	.....	.....	.....
1	.04½	.01	Robb Montbray	7,500	.01½	.02	.01½	.02
1	1.60	.75	San Antonio	11,574	1.30	1.38	1.25	1.35
1	.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	14,117	.94	.95	.90	.92
1	1.78	1.25	Siscoe	50,910	1.49	1.53	1.47	1.48
1	.10½	.02½	South Keora	2,000	.03	.02½	.02½	.02½
No	.16	.10	Stadacona (new)	17,960	.11	.11	.10	.10½
1	.60	.07	St. Anthony	9,400	.40	.40	.39	.39
No	2.21	.60	Sudbury Basin	2,930	1.05	1.12	1.05	1.05
1	.15	.00½	Sudbury Contact	1,500	.05½	.06	.06	.06
1	.02½	.00½	Sudbury Mines	5,000	.01½	.01½	.01	.01
No	.28	.16½	Sudbury Nickel	......	.21	.....	.....	.....
1	.38½	.14	Sullivan	69,100	.19	.29	.18½	.26½
1	1.44	.72	Sylvanite	33,825	1.17	1.20	1.12	1.16
1	7.25	3.70	Teck Hughes	23,995	5.50	5.70	5.50	5.60
1	.22	.03	Thom. Cadillac	39,949	.21½	.21½	.19	.19
1	.61	.10	Towagmac	600	.35	.35	.34	.34
1	3.00	.60	Treadwell	300	.75	.63	.60	.60
1	.25	.04	United Kirkland	1,000	.20	.16	.16	.16
No	.06½	.01½	Vacuum Gas	6,000	.01½	.01½	.01½	.01½
No	2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.50	.71	Ventures	15,777	.77	.77	.74	.74
1	.22	.01½	Vickers	5,500	.01½	.01½	.01½	.01½
1	.75	.20	Vipond........8.	4,422	.46	.47	.40	.45
No	1.80	1.15	Waite Amulet	2,964	1.25	1.25	1.15	1.15
50c	.75	.32½	Wayside	47,600	.33	.36	.32½	.35
No	.29	.18	White Eagle	12,500	.23	.24½	.23½	.24
1	.08	.02½	White Lake	2,000	.03	.03½	.03½	.03½
1	.28	.02	Wiltsey Coghlan	14,900	.12½	.13½	.12	.12½
1	.27	.06	Wood Kirkland	......	.07	.....	.....	.....
No	8.60	3.73	Wright-Hargreaves	36,004	6.60	7.20	6.50	6.80
			OIL STOCKS					
No	.32	.07½	Acme Gas & Oil	8,600	.17	.16	.15	.15½
1	.05	.04½	Admiral	1,000	.04½	.05	.05	.05
No	.01	.01	Advance	......	.01	.....	.....	.....
1	.07	.04	Anaconda	1,800	.04½	.06	.05	.05
1	1.60	.55	Ajax	2,275	1.05	1.07	1.02	1.05
1	.68	.05	Alta. Pacific	1,600	.20	.17	.16	.16
1	.20	.05	Amalgamated	2,600	.11	.12	.09	.09
No	1.10	.04½	Associated	1,950	.21	.24	.20	.21
No	.26	.01	Baltac	7,500	.06	.06	.05	.05
No	2.50	.25	Calgary & Ed.	800	.94	.90	.84	.90
1	.45	.03	Calmont	1,200	.12	.11½	.10	.11½
1	.25	.03½	Common Pete.	3,000	.07	.08	.07	.08
No	2.50	.11	Dalhousie	2,750	.46	.47	.45	.46
No	.19	.02	Devenish	......	.10	.....	.....	.....
No	.55	.05½	East Crest	4,050	.28	.27	.26	.26
No	.36	.20	Erie Gas	......	.20	.....	.....	.....
No	.02	.00½	Fabyan Pete	20,000	.01	.00½	.00½	.00½
No	1.75	.06	Foothills	700	.35	.32	.32	.32
No	.28	.06	Freehold	6,330	.09½	.09½	.09	.09
No	.12	.01½	Hargal	......	.08	.....	.....	.....
No	4.05	.30	Home	6,200	1.40	1.45	1.35	1.35
No	.05	.02½	Homestead	......	.02½	.....	.....	.....
1	.25	.10	Homestead O. & G.	9,800	.12	.17	.12	.16
No	.47	.10	Lowery	......	.15	.....	.....	.....
No	.08½	.02½	Madison	......	.08	.....	.....	.....
No	.20	.05½	Marion Oil	4,800	.10	.10	.09	.09½
No	.10	.03½	McD. Segur Ex.	1,000	.05½	.05½	.05½	.05½
1	.08½	.05	McD. Segur N.	10	.07	.05	.05	.05
1	1.10	.25	McLeod	10	.30	.30	.30	.30
No	.30	.07½	Mercury	32,792	.17½	.18½	.13	.13
No	.45	.11	Merland	400	.19	.25	.23	.23
1	.01½	.01	Mid West	......	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	......	.16½	.....	.....	.....
1	.50	.12	Model	650	.27	.22	.20	.22
5	.30	.09	Nordon	18,000	.11½	.11	.09½	.09½
No	.12½	.02½	Oil Selections	30,800	.06	.05½	.05	.05½
No	.20	.04	Okalta	3,000	.05	.05½	.05½	.05½
No	.61	.20	Olga Gas & Oil	600	.25	.26	.25	.26
1	.25	.13	Petrol Oil & Gas	1,500	.16	.19	.16	.16
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	23.00	5.75	Royalite	1,953	18.00	18.00	17.90	18.00
1	.25	.05	Sarnia Oil	8,500	.08½	.10	.07½	.07½
No	.45	.04	South West Pete.	300	.10	.11	.11	.11
1	.39	.06	Spooner	1,000	.25	.22	.22	.22
No	.75	.12	Sterling Pacific	2,200	.42	.45	.40	.45
	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
No	.25	.03	United	4,000	.06	.05½	.05½	.05½
No	.25	.06	Vanalta	......	.12	.....	.....	.....
No	.90	.65	Wainwright West	18,350	.85	.82	.65	.68

VANCOUVER STOCK EXCHANGE
(Transaction for Week to November 28.)

Par Val.	Range 1933 High	Low	Company	Sales	Close Nov. 22 (or last)	High for week	Low for week	Close Nov. 28
25c	.03	.00½	Bayview	......	.01½	.....	.....	.....
20c	.10½	.02½	Beaver Silver	2,500	.06	.06	.06	.06
25c	.17	.03	Big Slide	3,500	.04	.04	.03½	.03½
25c	.06½	.02	Bluebird	......	.02	.....	.....	.....
No	13.00	1.38	Bralorne	4,193	9.00	8.75	8.15	8.20
1	.57	.05	Bridge River Cons.	15,600	.18	.20	.16	.17½
50c	.71	.22	Bridge River Exp.	55,550	.24	.30	.25	.25
100	99.00	88.50	B. C. Electric, pfd.	......	99.00	.....	.....	.....
1	.60	.33	B. C. Nickel	17,050	.46	.45	.40	.40
1	1.50	.00	B. C. Silver	......	1.00	.....	.....	.....
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
1	4.60	1.50	Cariboo Gold	13,340	3.02	3.05	2.60	2.60
No	12.90	5.00	Coast Breweries	665	9.00	9.25	9.15	9.25
25c	.02½	.00½	Cork Province	6,000	.01	.01	.01	.01
1	.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.08	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
50c	.21	.21	Dentonia	500	.....	.21	.21	.21
1	.21½	.02	Dunwell	2,000	.13	.15	.13½	.13½
1	1.00	.28	George Copper	......	.30	.....	.....	.....
50c	.12	.03	Geo. Enterprise	......	.03	.....	.....	.....
1	.09½	.02	Georgia River	2,000	.02½	.02½	.02	.02½
1	.60	.16	Golconda	1,600	.41	.43	.40	.42
50c	1.25	.35	Gold Belt	......	.35	.....	.....	.....
1	1.50	.95	Golden Belle	......	1.50	.....	.....	.....
50c	.11	.03	Grandview	2,000	.05	.03½	.03½	.03½
1	.29	.28	Grull Wihksne	350	.....	.29	.28	.28
	.09	.08	Home Gold	1,000	.....	.09	.08	.09
1	.01½	.00½	Independence	6,000	.01	.01½	.01	.01
1	.03½	.01	Indian Mines	......	.01½	.....	.....	.....
1	.17	.08½	Inter. Coal	1,100	.13	.12	.11	.11
1	.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.57	.18	Kootenay Belle	400	.23	.20	.20	.20
25c	.04	.00½	Kootenay King	......	.01	.....	.....	.....
25c	.01	.00½	L. & L.	......	.00½	.....	.....	.....
1	.01	.00½	Lakeview	......	.00½	.....	.....	.....
10c	.06½	.01	Lucky Jim	600	.03	.03½	.02½	.03½
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	1.05	.20	Meridian Min.	15,200	.28	.30	.25	.26½
1	.10	.07	McGillivray Creek	......	.07	.....	.....	.....
5c	.13	.04½	Metaline Metals	......	.04½	.....	.....	.....
No	.12½	.12	Minto Mines	1,000	.12½	.12½	.12	.12
25c	.01	.00½	Mohawk	......	.00½	.....	.....	.....
50c	.41	.15	Morning Star	39,600	.16	.17½	.15	.16½
50c	.17	.05	Mogul	......	.07	.....	.....	.....
1	.06	.00½	Morton Woolsey	......	.01½	.....	.....	.....
1	.29	.05	Native Sons	6,000	.06	.05½	.05	.05
50c	.10½	.01½	National Silver	23,700	.05½	.05½	.04½	.04½
50c	1.14	.74	Nicola	40,010	1.11	1.13	1.09	1.10
50c	.21½	.02½	Noble Five	36,500	.07½	.09	.07	.07½
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.35	.15	Pavilion	......	.15	.....	.....	.....
1	1.25	.40	Pioneer Extension	......	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	2,360	8.60	9.00	8.35	8.50
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	1,200	.11	.10	.09	.09
No	.04	.00½	Premier Border	9,000	.01	.01	.01	.01
1	.10	.02	Quatsino Copper	......	.02½	.....	.....	.....
No	.42	.10	Reeves McDonald	150	.15	.10	.10	.10
1	.30	.25	Reliance	......	.27	.....	.....	.....
1	2.70	.60	Reno Gold	7,065	.80	.80	.73	.80
1	.22	.04	Reward Mining	2,000	.07½	.06	.06	.06
1	.10	.01	Rufus Argenta	14,000	.02½	.02½	.02	.02
1	.07	.01	Ruth Hope	......	.02½	.....	.....	.....
1	.65	.30	Sally Mines	1,000	.40	.30	.30	.30
1	.15	.03½	Silverado	......	.06	.....	.....	.....
25c	.09	.01	Silver Crest	22,500	.02½	.02½	.02½	.02½
20c	.03½	.01½	Silversmith	......	.03	.....	.....	.....
50c	.04½	.01	Snowflake	2,000	.01½	.01	.01½	.01½
25c	.06	.06	Sonora	......	.06	.....	.....	.....
1	.61	.40	Standard Gold	......	.40	.....	.....	.....
1	.50	.20	Sunloch	100	.20	.24	.24	.24
5	.40	.20	Toric	......	.40	.....	.....	.....
50c	.03½	.00½	Topley Richfield	500	.00½	.00½	.00½	.00½
No	.49	.41	Taylor Br. River	700	.41	.42	.41	.42
50c	.72	.08	Wayside	79,300	.39	.39	.33	.33
25c	.12	.01½	Waverly Tangier	34,700	.01½	.01½	.01½	.01½
20c	.05	.01½	Wellington	1,000	.02	.02	.02	.02
No	.36	.20	White Eagle	3,500	.24	.24	.22	.22
1	.18	.03	Whitewater	2,800	.06½	.06½	.06	.06½
1	.48	.40	Yankee Belle	......	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	7.61	McLeod Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Mercury Oils	4c.	.....
Coast Brew	92c.	.....	Merland Oils†	5c.	.....
Coniagas‡	12½c.	.....	Noranda‡	50c.	.....
Coniaurum†	3c.	.....	Petrol Oil	*2c.	.....
Cons. Smelters*	10%	.....	Premier	12c.	11.42
Dome Mines	$1+55c.	4.66	Pioneer B.C.	60c.	6.45
Falconbridge	20c.	.....	Royalite	$1	.....
Goldfield Cons.‡	5c.	.....	Siscoe	12+2c.	9.46
Hollinger	65c.+10c.	6.45	Sterling Pacific Oil‡	3c.	.....
Howe Sound	$1	.....	Sylvanite	4+3½c.	.....
Int. Coal & Coke‡	2c.	.....	Teck-Hughes	60c.	10.71
Lake Shore	$2+$1	6.52	Wright-Har.	20c.+10c.	4.41
McIntyre	1.87½	4.74			

*Stock. ‡Interim. †Initial. *Paid in 1932.

Unlisted Mining Stocks

December 5, 1933

	Bid	Ask		Bid	Ask
Abana	.03	.05	Lake Geneva	.12	.18
Adanac G. Un.	75.00	100.00	Lake Malartic	..	.50
Aischbach Gold	.02	.03	Lake Sawpawe	.20	.25
Athadome	.06	.09	Little Long Lac.	.96	1.00
Arntfield Gld	.80	.90	McCarthy Webb.	.07	.09
Arntfield Synd.	.70	.80	McChesney Moss Un.	20.00	35.00
Astoria Rouyn	.02	.04	MacKenzie Red Lake	.46	.50
Bathurst	.01	.08	McL. Cockshutt.	.17	.21
Beattie	1.20	1.27	Man. & Eastern.	.05	.07
Bidgood	.01½	.02½	Maple Leaf M.	.31	.34
Buff. Ankerite	1.15	1.25	Matachewan Can.	.08	.10
Bussieres Min.	...	.40	Mecca Gold	20	.23
Can. Radium	.06	.09	Metals Develop.	.05	.06
Canusa Gold	.02	.08½	Minefinders	1.00	..
Cent. Kirk Un.	9.00	11.00	Minrand Gold	...	.30
Cochenour-Wil. Units	15.00	20.00	Montreal-Alb. Petroleum	.38	..
Continental Gas.	...	.10	N.A.M.E. Units	5.00	7.00
Continental Gold Units	...	135.00	Normetal Min.	.45	.60
Continental Kirk.	.04	.06	Northl'd Pros.	...	550.00
Crown Reserve	.01	.08	N'W Que. Pros.	...	20.00
Delta Units	35.00	55.00	O'Connell Gold	.27	.30
Dorval Siscoe Units	...	25.00	Oro Grande Dev.	.40	.60
Dunkin	...	.01	Peninsular Pet.	.00½	.01
Dunlop Cons.	.01½	.02	Pontiac Rouyn	.40	.45
Eagle Oil	1.20	1.30	Quebec Pros.	2.50	..
East Rouyn	..	.18	Quetario Pros.	...	2.00
Echo Bay Explor.	...	.35	Rubec Mines	.01	.02¼
Edgecreek Un.	11.00	16.00	Silveradium Un.	50.00	75.00
Fleming Thomp.	...	46.50	Silver Valley	.15	.19
Fairmac Un.	..	10.00	Smelter Gold	.22	.24
Flintoba	.00½	.01½	Sourdough Un.	5.00	10.00
Galatea Units	15.00	30.00	South Tiblemont Units	35.00	40.00
Glenora Gold	.25	.30	Sun Bear	.20	.27
God's Lake	.65	.68	Sunarca Explor.	1.00	1.15
Goldside Units	24.00	30.00	Swayze Contact.	.20	.24
Gr. Bear Lake	.35	.40	Tiblemont Island	.11	.12
Great. Can. Gold	.12	.15	Tom Montgomery Un.	..	150.00
Greene Stabell	.41	.45	Trusted Inv. Syn. Units	16.50	18.50
Gregg Oil Un.	1900.00	..	Tyrrell Tp. McN.	..	40.00
Gunnar Gold	.50	.55	West McWatters Units	..	15.00
Herbin Lake Un.	14.00	17.00	Young Davidson.	.17½	.20
Horseshoe	.10	.13			
Island Lake	.05	.08			
Kenty Gold	1.10	1.20			
Kirk. Gold	.10	.15			

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

CARIBOO QUARTZ DOUBLES POWER FOR MINE WORK

Mill Expansion Still Indefinite, Says President

From Our Own Correspondent

VANCOUVER.—Air capacity of the power plant at Cariboo Gold Quartz mine is being doubled so as to facilitate underground operations during the winter, according to Dr. W. B. Burnett, president of the company. A new engine has been shipped to the property and will soon be in operation.

The company's plans for expansion of the mill are still indefinite, says Dr. Burnett. There had been talk of increasing the mill to 500 tons or even 1,000 tons, but this will depend on the trend of the market. Stock to finance the new mill cannot be sold for less than $5 a share under the arrangement made when the last block of shares was sold. It is possible that the present mill might be stepped up out of earnings, but Dr. Burnett believes that as new ore bodies are discovered and developed the stock of the company will rise and thus warrant the sale of treasury stock for mill construction at a price even higher than the figure agreed on as a minimum. The problem is regarded by the management as not particularly pressing at the moment.

A new town to be known as Wells is being organized near the operations of Cariboo Gold Quartz and Newmont. The name has been chosen in honor of Fred Wells, Cariboo Gold Quartz managing director and pioneer developer of Cow Mountain lode mining. It will not be a company town, but will be peopled almost entirely by the several hundred workers in the two mines and their families.

At the Mines

Amity Copper & Gold Mines.—Mining operations have been resumed with the shipment of an initial 50-ton car load of ore to the Noranda smelter last week. Officials estimate the grade to be 10 per cent copper. This production came from the 250-ft. level of the mine.

* * *

Bagamac-Rouyn Mines.—Drilling is to commence at once on a three-ft. quartz vein uncovered while making water connections in the town of Rouyn. The shaft has been sunk to a depth of 220 feet.

* * *

Bralorne Mines.—The mill is currently treating 200 tons daily with plans for increasing to 250 tons by the end of 1933. Upon completion of additional power facilities next summer plans call for increasing the mill to 500 tons.

* * *

Cariboo N. R. A. Mining Co.—Two boatloads of supplies have been shipped to the company's Mary McDuff property at Port Neville, 160 miles north of Vancouver. It is proposed to mine and ship selected ore to the smelter all winter since the property is on tide water.

* * *

Gillies Lake-Porcupine Gold Mines.—The Rochester property adjoining the Hollinger and McIntyre mines has been acquired and work started toward dewatering the mine and sampling the old working with a view to resuming production.

* * *

Gold Harbor Mines.—A second gold brick, weighing 118 ounces, has been shipped by the company from its operations at Moresby Island, B.C.

The work at the mine is said to be progressing very favorably. A new ledge 1,500 feet from the present workings has been uncovered and on the same vein, giving every reason to believe that the ore body is proving up, and that the property may develop to a good-sized mine.

* * *

Morning Star Mine.—Regular shipments started November 13 to the Trail smelter and it is the intention to average about 1,000 tons monthly from the company's property near Oliver, B. C.

An average over eight feet in a drift to the south was 1.2 ounces in gold to the ton. The average value over the opened portion of the ore body on the No. 1 level is .75 ounce. The width of this body so far disclosed is sixteen feet. The indicated length of the first ore body on No. 1 level is approximately 300 feet.

* * *

Peterson-Cobalt Mines.—Plans are under consideration to reopen the company's property comprising 65 acres at Cobalt. At last report current liabilities exceeded current assets by $17,452, but some 725 common shares and 75,000 preferred remain in the company's treasury for further financing.

* * *

Siscoe Gold Mines.—Production in November was $103,832 from 9,270 tons of ore treated, an average recovery of $10.20 per ton. This compares with a recovery of $104,212 in October. These figures are exclusive of exchange compensation.

* * *

Smelter Gold Mines.—The purchase of a mining plant has been authorized and an initial programme announced to sink a shaft to 400 feet, and establish three working levels at 125-ft. intervals.

* * *

Wright-Hargreaves Mines.—Directors have declared their regular quarterly dividend of five cents per share plus an extra of five cents per share, both payable in Canadian funds on January 2, 1934, to shareholders of record December 9, 1933.

United Gold Equities To Pay First Dividend

Initial dividend of 5 per cent has been declared on the shares of United Gold Equities of Canada Ltd. The dividend is payable January 15 to shareholders of record January 1. Allan M. Mitchell has been added to the board of directors of the company. Mr. Mitchell is president of Robert Mitchell Co. and a director of several companies including Investment Foundation Ltd., Investors Equity Ltd., Thrift Stores Ltd.

United Gold Equities of Canada Ltd. is an investment company formed in the current year. Included in its investment portfolio are the securities of 19 Canadian mining companies, principally dividend paying gold mines, although a selected group of junior producers are included.

Index to Mining Shares

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926 = 100, was 105.0 for the week ending November 30, as compared with 108.3 for the previous week.

Eleven gold stocks fell from 103.5 to 100.3, four gold-copper stocks from 138.1 to 133.9 and five silver and miscellaneous stocks from 39.8 to 38.0.

WESTON BREAD BUYS 7 PLANTS ONT. BAKERIES

Is Now in Position to Service 100 Miles Area Around Toronto

Another step in the impressive expansion programme of the Weston group of companies was announced last week when George Weston Bread & Cakes, Ltd., subsidiary of George Weston, Ltd., purchased the physical assets of Ontario Bakeries, Ltd., from the trustee and receiver. George Weston Bread & Cakes has been servicing Oshawa and Peterborough in addition to their Toronto business and with the plants taken in with the new purchase will now serve effectively an area of 100 miles around Toronto.

Ontario Bakeries, which was organized and controlled by The Canadian Terminal System, which in itself had been promoted by the Willison-Neely Corp., was made up of a number of individual companies which, under former owners were reported to have been highly successful. Sixteen plants were obtained and 6 per cent bonds outstanding of $904,500 were sold to finance merger and there were also $2,000,000 preferred stock and 100,000 shares of common stock.

Bought at Bargain

The depression, which bore heavily on all bread companies, fell most heavily on this one and it defaulted on bond interest. Now seven remaining of the original 16 bakeries of the company at Stratford, Guelph, St. Catharines, Woodstock, Barrie, North Bay and Sudbury, have been bought by the Weston baking subsidiary at $65,000.

The first payment was $6,500, another $18,500 is payable by December 15, and the balance is payable by a mortgage of $40,000 for five years. No liabilities of Ontario Bakeries are assumed. It is by no means certain that the plant at Sudbury will be kept by George Weston Bread & Cakes, but the rest of the plants obtained so cheaply work in well with a company that already has an established and successful business in Toronto, Oshawa and Peterborough.

The assets of Ontario Bakeries were sold by tender, the highest bidder being James McGroarty, chairman of the board of directors of George Weston Bread & Cakes, Ltd. Toronto General Trusts Corp. was trustee for bondholders and A. B. Shepherd, C.A., of Peat, Marwick & Mitchell, was liquidator.

HARDING CARPET EARNED $35,835 BEST SINCE 1929

Working Capital Strengthened; Bank Loan is Reduced

Operating profit of $35,835 is reported for Harding Carpets Ltd. in the year ended October 31, 1933, in contrast to an operating loss of $22,864 in the preceding year. For the first time since 1929 provision is made for depreciation and working capital position has been strengthened by $20,000 but deficit carried forward is only slightly reduced. It is stated that the company's plant is very busy in certain departments and the company has considerable business booked ahead. It is expected that if present improvement in business conditions continue, future operations will be profitable.

Loss in 1932 is attributed to liquidation of distress stocks that blocked the outlet for new merchandise. This liquidation has now ceased and the demand on the mills has resumed. The income and surplus account reflects the change in conditions.

INCOME AND SURPLUS ACCOUNT
Years Ended October 31

	1933 $	1932 $
Earn. from oper.	35,835	*22,864
Less: Interest	9,541	12,326
Depreciation	26,027	......
Net profit	267	*35,190
Prev. deficit	38,862	3,672
Deficit car. for.	38,595	*38,862

* Loss or deficit.

Current assets are some $3,000 higher while current liabilities are down by $17,000 since 1932. Cash is slightly lower at $1,469; accounts receivable are down to $68,957 from $73,000; inventories are up to $182,495 from $175,401, after providing for reserve of $10,000. Inventories are carried at cost which is under present real values. The company's bank loan has been reduced to $147,000 from $169,000 while accounts payable are up to $17,100 from $12,718. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	252,921	249,992
Current liabilities	164,099	181,718
Working capital	88,822	68,274
Ratio	1.54—1	1.38—1

Fixed assets are carried at $836,366. increase of $4,598 during the year but depreciation reserve has been increased to $50,000 from $24,420. Deferred charges are shown at $2,021 and preliminary administrative and operating expenses at $36,052. There remain outstanding 7,500 shares of $100 par value 7 per cent preferred stock and 20,000 shares of no par value common stock. Deficit in surplus account is $38,595. No dividend has as yet been paid on the preferred shares.

Production of Rolling Stock Valued at $32,465,000 in '32

Production of the railway rolling stock industry in Canada during 1932 had a value of $32,465,192, a decline of 52 per cent from the total of $67,865,070 in 1931. In 1929 the value of production was $126,487,037. During 1932 there were 38 establishments in the group which includes only factories chiefly engaged in making or repairing cars and locomotives or in making parts such as wheels, tires, brakes, brake shoes, etc. There were 15 plants in Ontario, 11 in Quebec, four in Manitoba, three in Nova Scotia and Alberta and one in each of New Brunswick and Prince Edward Island.

Only 282 new freight cars were made in 1932, and only two new locomotives. Two gas-electric passenger cars were produced and four electric railway snowplows, a few narrow gauge mining cars and some track motor car units. Value of repair work done on cars and locomotives was $18,925,135.

The Week in Mining

Pooled Shares

WITH many mining companies being resuscitated due to the activity in gold mining at the present time many new financial programmes are being introduced to shareholders with requests that old shareholders pool their stock.

There can be little doubt that pooling of the old shares and eliminating them from the market where they would spoil or interfere with the plans of new financial sponsors, is necessary where this type of financing is indulged in, but directors and officers of these companies should realize their responsibility to these old shareholders and be prepared to give greater information than has been evidenced in many pooling requests that have recently been made.

These old shareholders are entitled to full details of the new financing agreement and a blanket request for pooling the shares without these details can only be considered an injustice to the shareholders. These early shareholders helped to finance the property in good faith. Because financing was not adequate and refinancing is necessary is no reason why these old shareholders are not entitled to details, which will enable them to judge for themselves whether they wish to aid new financial programmes by pooling their shares.

One ingenious method used by some promoters, where the shares are listed, is to classify all the issued stock as "B" shares and to classify the new stock that is to be issued as "A" shares, both ranking paripassu, except that the "A" shares are listed. This, while not pooling the "B" stock or the holdings of the early shareholders, is just as effective and is an ingenious way of side-tracking the shares of the earlier shareholders off the market.

Another ingenious device is to have a capital reorganization with or without changing the name of the company and increase the authorized capital, but while offering to exchange the old shares for new ones, defer the date of exchange and by so doing in effect pool the shares of the early financers of the company.

* * *

"Gold Collapse" Draws Fire

THE Coming Collapse in Gold" by L. L. B. Angas, which made its appearance last week, has brought a shower of comment, much unfavorable, from various writers on, and observers of, the economics of the existing gold situation.

The Economist of London, Eng., says it is generally admitted in recent weeks that the immediate technical position of the South African gold shares is not overly strong. The 1932 boom in the shares was in the main projected by a single factor, the departure of South Africa from the gold standard. The movement survived the shock of South African government's new taxation measure and the depletion of the dollar, but may obviously be vulnerable to any renewed international crisis, threatening the future of gold as an arbiter of currency. The Economist views Mr. Angas' work as resolving itself into little more than a pessimistic interpretation of a number of local factors in South African gold mining.

The share market, the Economist continues, is at the moment more concerned with the possibility of an involuntary abandonment of the gold standard by France and other continental countries than by the chance of a spectacular rise in Rand working costs, which Mr. Angas views as a dominating and exaggerated factor in the earnings outlook.

The gold "hoarding tendency," however, being stimulated rather than discouraged, might be expected in due course to reverse the trend, since the "freezing" of gold in the central banks throughout the world would leave demand concentrated entirely upon the current mining output and on the supplies of metals in private hands, continues the Economist.

The Investors Chronicle of London comments with the observation that the sterling price of gold at present depends on the sterling-franc exchange, and warns speculators that gold shares and exchange is a very risky business. Mr. Angas argues that the franc is over-valued in relation to sterling and that the usual corrective economic forces are at work to make francs cheaper and consequently the sterling price of gold more; that the pound is unlikely to chase the dollar downhill to depreciate in terms of francs unless Mr. Roosevelt purchases gold from France, using London as intermediary; and that Mr. Roosevelt anyhow will not buy much gold unless he should cause a slight slump in the franc and push France off the gold standard.

Mr. Angas' attacks on the gold standard in theory and practice, suggesting that having gold bars as the basis of currency is "bunk," draws fire from the Investors Chronicle, which says it is not so foolish as to imagine that because a cherished human belief and custom is superstitious "bunk," the nations will turn to something rational. It cannot believe that Mr. Angas will succeed in abolishing the gold standard.

The Stock Exchange Gazette says "that many an average reader will rise from the work more dazed by the labyrinth of arguments that either alarmed or illuminated." It goes on to say that it is easy to guess that the author is a venomous advocate of managed currency and of large doses of inflation. Inflation, it continues, may easily prove as destructive as a boomerang to the United States credit, and the true interests of her industries and that "The Coming Collapse of Gold" may conceivably turn out to be the forerunner of a restoration of the precious metal to a greater and more lasting prestige than it has ever before enjoyed.

Canadian Mining News

Ontario Gold Producers Treat Lower Grade Ore Add Years To Mine Life

Moral Responsibility Toward Miners and Community Guides Mines

EXPLOIT FOR PROFIT

Majority of Mines at Highest Earnings Levels Due to High Gold Price

By B. F. TOWNSLEY
Mining Editor, The Financial Post

KIRKLAND LAKE.—The annual report of Lake Shore Mines, presented a few weeks ago showing a decline in grade, total recovery and earnings, upset the preconceived opinion of many investors in dividend-paying mining shares as to what the probable trend of gold producers would be now that gold is selling at about 50 per cent above the normal value of $20.67 per ounce.

The action of Lake Shore has raised the question of what policy Ontario's dividend-paying mines will pursue with respect to the grade of ore to be mined now that gold is at present high levels. Since Great Britain went off the Gold Standard in September, 1931, higher profits for the gold producers have been taken for granted. Based on these greatly increased profits gold shares early in 1932 staged a spectacular rise that has been held in check only by the uncertainty of investors as to just what the future has in store, and what policy will be irrespective of whether the price of gold is maintained at these new higher levels or not.

Lower Grade Ore Treated

A survey of the leading dividend-paying gold producers in Ontario shows four apparently committed to a policy of treating lower grade ore, as evidenced by the government production returns for the third quarter of 1933 as compared with the grade of ore milled in 1931 and 1932 and the average grade treated in the first nine months of 1933.

In discussing the economic aspects of treating lower grade ore, now that gold is selling about 50 per cent above the normal value, the consensus of the majority of the mine managers was in favor of a committal towards lower grade ore.

The policy of treating lower grade ore during a period of high gold prices is liable to deceive an investor groping for an explanation, because assurance cannot now be given that the price of gold is definitely established at higher levels. Obviously, if a period of high gold prices is likely to be of short duration it might be expected that the gold producers would gouge out their highest grade ore in order to take advantage of the high price and, therefore, obtain the highest possible profit.

An Example

By way of explanation, let it be assumed that a mine treating 1,000 tons daily has assured six years ore reserves averaging nine pennyweight per ton or equivalent to $9 per ton at normal value and that its costs are $6 per ton. Few Canadian mines have carried development beyond the point where proved ore reserves are in excess of a six-year period. In addition let it be supposed that this mine has six years' ore reserves averaging five pennyweight per ton or equivalent to $5 per ton with gold at normal value, but inasmuch as the operating production costs are $6 per ton, this ore must be considered as so much waste rock with gold at $20.67 per ounce. This theoretical mining operation, treating $9 grade of ore, with gold selling at $20.67 per ounce, would, therefore, produce annually $3,150,000 and have a net profit of $1,050,000. Treating this same grade of ore, with gold selling at the current price of $32 per ounce or approximately 55 per cent above normal, would give a value to the production of $4,900,000 and produce a profit of $2,800,000 or an increase of 166 per cent above the normal profit.

It is in anticipation of mines continuing to treat what is regarded as the normal grade of ore, that has been largely responsible for forcing the gold shares to the unprecedented market levels, but with a predominating policy of the gold producers for treating lower grade ore, the situation is altered.

Results With $5 Ore

On the same basis of operating costs of $6 per ton it is interesting to see just what profit would accrue if the policy of treating the five pennyweight ore was decided upon. This ore, with gold at $32 per ounce, now becomes worth $7.80 per ton, which, assuming the same milling rate and operating costs would provide a profit of $1.80 per ton or approximately $630,000 annually—40 per cent lower than the normal profit treating nine pennyweight ore. This obviously would not satisfy shareholders' demands for profits but it does show that profitable operations could be maintained and the life of the mine doubled through treating lower grade ore.

As a third alternative let it be assumed that mining conditions were such that one-half of the ore could be drawn from the nine pennyweight grade and one-half from the five pennyweight grade giving an average grade of seven pennyweight or a normal value of $7 per ton, which with gold at $32 per ounce brings the grade up to $10.85 per ton. Under these operating conditions the annual value of production would be $3,815,000, producing a profit of $1,715,000 or an increase of over 60 per cent above the normal profit of the mine when treating nine pennyweight ore with gold selling at $20.67 per ounce.

Exploiting Shows High Profit

It will thus be seen from these deductions that the highest possible profit would apparently result by exploiting the mine and treating the higher grade nine pennyweight ore which would produce a net profit of $16,800,000 assuming that the price of gold held up to the $32 figure for the six-year period.

This programme of mining would leave six years' mill supply of the five pennyweight ore in the mine with a potential profit of $3,780,000 but would force the suspension of operations after the six-year period if the price of gold was not maintained at high levels.

If the policy of treating half of the low grade or five pennyweight ore and half of the higher grade or nine pennyweight ore was decided upon, obviously mining operations could be extended to the 12-year period or doubled with a total resulting profit of approximately $21,000,000. The final result in both cases is the same if the price of gold stays up, the only advantage in the first example being that the profits would come fast in the first six years and be lean in the last six years and interest would accrue on the larger production for a greater time.

High Grade Frequently Found

These hypothetical mining operations seemingly tend to favor mining the higher grade ore as quickly as possible, particularly if the price of gold is likely to decline or rising costs offset its advantage.

With no assurance that the present high level for gold will be maintained, the predominating attitude of mine managers to treat lower grade ore has other interesting explanations for investors. One of these is that in mining the lower grade ore, high grade ore shoots are frequently opened up that would otherwise not be exposed, and thus the average grade is increased above what was anticipated.

Another advantage of treating lower grade ore is the controlling of the rate of tax on profits which form an increasing cost in mining operation.

Moral Factor Governs

The great governing factor, however, according to the consensus of mine managers, is the great advantage accruing to miners and the community through lengthening the life of the mining operations, not otherwise possible if a mine was exploited for the higher grade ore during a period of high prices for gold. This attitude of mines staves off the inevitable time when all mining camps are ghost towns, due to the depleted profitable ore. This concern for the community employment and investment in homes and businesses and mining camps also has a counterpart advantage to the mines themselves, inasmuch as the depreciation charge, which forms an important part of mining costs is spread over a longer period of years and is not computed over the shorter life with a resulting higher operating cost.

It will thus be seen that although the higher price of gold is stimulating a wider search and an increased number of mining operations, that the producing mines are not seeking to exploit the present high gold prices and leave in their wake ghost towns and unemployed miners for the questionable advantage of quick profit returns.

An analysis of the leading Ontario gold mining operations with their recovery record and earnings record together with possible earnings makes an interesting comparison.

Lake Shore Mines

Lake Shore Mines, currently Ontario's largest gold producer, had an average recovery of $13.55 per ton in 1931, with gold at normal value. In 1932 this increased to $15.40 but the average in the first nine months of 1933 saw a drop to $13 per ton while in the third quarter of 1933 the average was $12.50 per ton. Estimated earnings in the calendar year, 1931, were $3 per share as compared with $3.75 per share in 1932. The estimated annual earnings based on the present price of gold and production in the third quarter of 1933, are $4.50 per share, of which the higher than normal price for gold forms $2.60 per share. At current market prices and prevailing dividends the yield is 6 2/3 per cent on the investment, but based on indicated earnings in the third quarter of 1933 the yield would be 10 per cent.

McIntyre-Porcupine

McIntyre-Porcupine Mines average recovery in the calendar year, 1931, was $7.70 per ton with gold at normal value. In 1932 it was $7.50 per ton as compared with $7.85 per ton in the first nine months of 1933. In the third quarter of 1933 the grade dropped to $7 per ton. Estimated earnings in the calendar year, 1931, were $1.80 per share, which increased in the calendar year, 1932, to approximately $2.70 per share primarily due to the increased tonnage treated.

(Continued on page 15)

B. C. Mines Estimate $29,000,000 for 1933

British Columbia's total mineral production for 1933 was estimated at $29,000,000 by J. G. Galloway, provincial mineralogist, before the recent western meeting of the Canadian Institute of Mining and Metallurgy. This is up some $2,000,000 from official figures of production in 1933 when the mineral output was valued at $26,767,522.

An advance $4,250,000 or 13½ per cent in the gold output is estimated, while the estimate of silver is given at 7,000,000 ounces, slightly down from the 1932 figure. The lead and zinc production is estimated at 260,000,000 pounds and 150,000,000 pounds respectively, while the payroll of the mines is estimated for 1933 at $18,000,000 and dividends at $2,000,000.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

LITTLE LONG LAC SHOWS PROMISE MILL IS PLANNED

Ore on 200 ft. Level Averages $13 Over Six ft. Width

The Little Long Lac area, 125 miles northwest of Sudbury, Ontario, adjoining the Canadian National Railway, is taking its place among the most promising gold areas under exploration this year with interest centred about the activities of the Little Long Lac Gold Mines, which has plans under consideration for a 200-ton mill.

Joseph Errington and S. J. Fitzgerald of the Sudbury Diamond Drilling Co. are the directing heads of the company, which was formed in February of this year with a capitalization of 2,000,000 shares of no par value to develop the property comprising 40 claims at mileage 21, on the C.N.R., acquired from prospectors Tom Johnston and Tony Oakland, in midsummer, 1932. Since that time 14 diamond drill holes, with a maximum vertical depth of 365 ft. have been put down along the main ore zone for a length of 900 ft. Free gold was shown in every drill core except one, with the westerly end indicating the best values.

Work Centred on 200 Ft. Level

This spring a Diesel engine driven mining plant sunk a shaft to the 310-ft. horizon with a station cut at 100 ft., 200 ft. and 310 ft., but with the underground programme centred on the 200 ft. level where 260 ft. of drifting gave systematic channel samples averaging $13 in gold over an average width of seven ft., with values improving as the drift extended westward where the higher values in diamond drilling were encountered. The vein has just been cut on the 310 ft. level with initial assays even better than on the 200 ft. level. Exploration has been confined principally to the main vein system which gives evidence of intensive fracturing with liberal evidence of free gold well distributed. An important development has been the encountering of small stringers on either side of the main vein, carrying good values that might conceivably materially increase the mineable width of ore.

Early this spring a 50-ton mill was mooted, but as developments proceed, officials are giving consideration to the larger mill and it is expected that by early spring decision will be reached. Already officials have been in touch with the Hydro Electric Power Commission of Ontario and consideration is promised to extend its Nipigon transmission line from the Northern Empire Gold Mines at Beardmore, some 30 miles distance.

By the time mill construction comes up for decision lateral work will have proceeded on the 310 ft. level and officers can more accurately gauge the mill construction programme.

The revival of interest in the Little Long Lac area dates back to September, 1931, when "Hardrock" Smith attracted new attention to the area. This was followed by Percy Hopkins, well known geologist, bringing a find at Magnet Lake, just a few miles west and adjacent to the present Little Long Lac property, to the attention of Messrs. Errington and Fitzgerald.

The property now under development, however, was the result of a contract made by A. A. Barton, engineer-scout for the Sudbury Diamond Drilling Co., who negotiated with Messrs. Johnston and Oakland, resulting in the acquisition of their claims.

Unusual interest to the discovery is lent by the romantic figure of Tony Oakland, a Ruthenian who led a more or less obscure existence in the area since 1914 and who delivered to the Hudson's Bay Trading Post some $750 in gold pounded out of the rocks in the area, the source of which he kept a closely guarded secret. Early this year in company with Johnston he staked the present property.

Financing was provided through an offering of 400,000 shares at 25 cents per share by F. J. Crawford & Co., in March of this year. Originally it was planned to make an offering of only 200,000, but the issue was over-subscribed some five times with the result that the allotment was increased to 400,000 shares. This with the vendor's shares of 1,000,000 shares represents the amount presently outstanding. Current trading in the unlisted market has been around $1 per share.

Nicola Mines & Metals Cuts 4-ft. Joshua Vein

Nicola Mines tunnel intersected Joshua vein on December 5, completing that phase of mining operation, the Vancouver Sun was officially informed. The complete tunnel length to the mill is 2,250 ft. Where cut the Joshua vein was four feet in width. Drifting has started south on Joshua vein and north and south on Tubal Cain vein, both on 400-ft. level. At same time sinking the Joshua shaft in ore and working on a raise from 400 to 300-ft. level is under way. All drifts are in full face of ore with average values in faces over $15 in gold.

Falconbridge Nickel Co. Declares 5-Cent Dividend

Directors of Falconbridge Nickel Co. have declared a dividend of five cents per share payable on December 29, 1933, to shareholders of record December 15. This will bring the dividend disbursements of the company, paid this year, to 25 cents per share.

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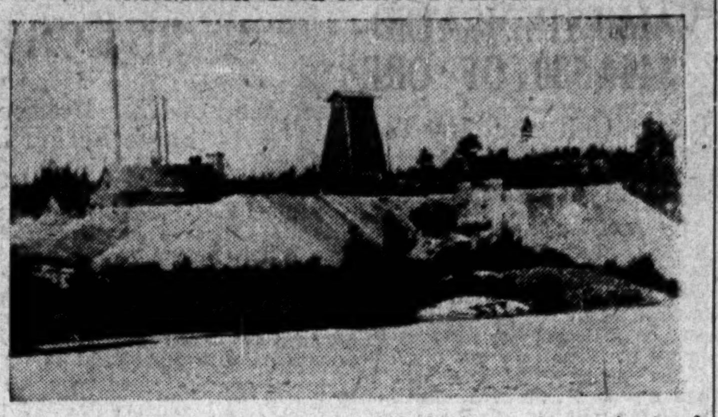
McMillan Gold Mines Plans Mill



Mining operations have reached the 625-ft. horizon and an estimate of indicated ore shows 53,940 tons valued at $444,580 at normal value, which prompts officials to plan a 100-ton mill as soon as finances are available.

PIONEER GOLD HOLDS OUTPUT FOR PRICE RISE

High Grade Shoot Lengthens to 800 ft. on Tenth Level

From Our Own Correspondent

VANCOUVER. — The management of Pioneer Gold Mines has decided to withhold from the market all gold mined since the beginning of October, according to announcement by David Sloan, managing director. This policy is dictated by the belief that the price of gold will continue to rise.

Mr. Sloan says that an exceptionally rich ore body is being penetrated in the eastern section of the company's property in the Bridge River district. It is being approached from four levels at the rate of 175 to 200 feet monthly on each level. This is the high grade ore body, which he reported in September. This has been developed over a distance of 400 feet on the seventh level, which has lengthened out to 800 feet on the tenth level with average values well maintained.

Seventh Level Delimited

The thirteenth, eleventh, eighth, and fifth levels are now being driven through the rich section, which, however, had not been delimited as yet on any level but the seventh. Work to date on the levels below the seventh indicates that values are more concentrated in the upper levels. That is, explains Mr. Sloan, the ore in the lower levels is evidently spread over a greater distance with average values being well maintained. Work on the fifth level shows values to be still more concentrated than on the seventh, one section averaging considerably higher over a three-foot width and for a distance of 100 feet than the corresponding section on the seventh level. This results in the average on the fifth level being fully up to the average on the lower levels, although the ore does not extend over the same distance.

At the extreme western section of the property the twelfth and fourteenth levels are being extended to follow the southerly trend which Mr. Sloan states still persists. Values at this end of the property, while not as high as elsewhere on the vein, are commercial. There are indications that the serpentine formation is being approached. Work on the twelfth level in this section shows that the dip of the vein is reversed between the tenth and the twelfth levels.

Mill Increase Indefinite

The managing director estimates that the work of carrying No. 2 shaft down to the fourteenth or present bottom level to serve as an auxiliary to No. 3, the main working shaft, will be completed in about three months. Raising on the shaft is proceeding from the fourteenth and the eleventh levels. When this shaft is equipped for operation, No. 3 shaft will be deepened to open up new low levels.

Diamond drilling to explore the new low horizon is meanwhile proceeding. The cyaniding mill has been brought up to 312 tons daily. Further increase in daily tonnage will await completion of No. 2 shaft.

While admitting that further increases in milling capacity are indicated for the future as a result of ore developments, Mr. Sloan said it could not be estimated at this stage what the ultimate mill capacity would be.

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MACHINERY
It is officially estimated that during the current year the producing, and a few of the larger developing, gold mines in Ontario alone, purchased around $15,000,000 in mining equipment. This does not include the many smaller operations across the Dominion.
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Veraguas Mill Was Operating On November 29

The new 50-ton daily capacity mill of Veraguas Mines, in which McVittie-Graham Mines owns 56 per cent interest, went into production at the company's property in Panama on November 29 at an initial rate of 30 tons daily, according to official word from the property. Millheads are expected to be maintained at near $90 per ton with gold at normal value, one of the highest grade milling operations in the world. By the end of 1932 it is expected that the mill capacity will be gradually stepped up to its normal rating of 50 tons daily. About 50 per cent of the gold will be recovered in the form of bullion on blanket and in traps and the balance in the form of a copper-silver-gold concentrate, which will be exported to the United States for smelting and refining. The ratio of concentration is expected to be about 17 to one producing about 90 tons of concentrates per month. Coincident with mill construction underground development has proceeded and has opened up the main drift some 420 ft. below the outcrop and old workings. This development shows a continuous ore shoot averaging 5½ ft. in width and giving an average assay of $90 per ton in gold at normal values.

Mitchell Joins Board United Gold Equities

From Our Own Correspondent

MONTREAL. — Allan M. Mitchell, president of the Robert Mitchell Co. and a number of other enterprises, has been elected a director of United Gold Equities of Canada. United Gold is an investment company, patterned after similar companies in South Africa. Its investment portfolio includes the securities of nearly a score of the more important Canadain mining companies, principally dividend paying gold mines.

An initial dividend of five cents per share was declared payable January 15, 1934, to shareholders of record January 1, 1934.

Box Palestine Oranges

Box shooks made in Vancouver box factories are now en route to Palestine to package the orange crop of that country.

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BULOLO REPORTS $1,200,000 PROFIT

First Year Shows Recovery 30c and Costs 10.9c Per Cu. Yd.

The annual report of the Bulolo Gold Dredging for the fiscal year ended May 31, 1933, the first full year of production, shows a net profit of $1,200,001, equivalent to $1.58 per share on the 765,000 shares outstanding, against which an initial interim dividend of 60 cents per share was declared payable on December 4, 1933.

Total value of the bullion produced amounted to $1,696,394. Operating expenses totalled $222,657; overhead expenses $47,959; refining costs $6,784 and royalties $83,993 leaving a net operating profit of $1,335,001 from which $135,000 was written off to amortization, leaving a net profit of $1,200,001 as compared with $108,659 accruing from two months' operations of the initial dredge placed in production on March 28, 1932.

Ore Reserves 100,000,000 Cu. Yds.

The company's property comprises some 6,327 acres along the Bulolo and Watut Rivers in the mandated territory of New Guinea, 35 miles from the Port of Solamoa. These initial gold dredging operations in New Guinea have attracted considerable interest owing to the engineering feat of transporting dredges over high mountain ranges and 35 miles into the interior of a densely forested district by huge aeroplanes.

The company operates under a British Columbia charter of 1930 and is headed by Charles A. Banks, of Vancouver as managing director.

Through exploration and drilling the indicated ore reserves of the company's property are estimated at 100,000,000 cu. yards having an estimated working profit of $23,250,000. Two electrically-operated hydraulic dredges accounted for the production in the last fiscal year. A third dredge was started in October of this year and a fourth is to be ready about June, 1934.

The following tabulation gives production details since the commencement of operations on March 28, 1932:

Fiscal Years Ended May 31

	Gold Bullion ozs.	Cubic yards	Grs. of Gold yd.
1932	10,442.00	558,800	5.957
1933	98,443.08	4,551,800	6.937
Total	108,885.08	5,110,600	6.830

The average recovery in fine gold per cu. yard treated in the last fiscal year was 30 cents, while the operating cost was 4.9 cents per cu. yard. The total costs, including administration, royalties, refining and amortization, were 10.9 cents per cu. yard.

The working capital of the company remains strong with current assets of $1,150,696 as against current liabilities of $372,676 leaving a net working capital as at May 31, 1933, of $778,020 as compared with $207,298 at the end of the previous fiscal year.

The annual meeting of the company was held November 27 in Vancouver.

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